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ABSTRACT

This handbook aims to help high school counselors advise students about financial aid for postsecondary education. It focuses on the student financial aid programs administered by the U.S. Department of Education. Supplementary materials are also included on ways to encourage high school students to consider postsecondary education as an avenue to rewarding careers. Part One begins with general information about postsecondary opportunities and describes sources of aid, general eligibility requirements, loan default and choice of school, and opportunities for disadvantaged students. Part Two discusses the application process, talks about deadlines, and provides step-by-step instructions for completing the free application for federal student aid (FAFSA). Appendices include: sources of additional information, directory of state agencies, and sample handouts. (JMD)

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HIGH SCHOOL COUNSELOR'S HANDBOOK

ED 447 380

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2001 - 2002

STUDENT FINANCIAL ASSISTANCE

U.S. DEPARTMENT OF EDUCATION

CG 30480

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Important Telephone Numbers for School Counselors

Federal Student Aid Information Center (FSAIC)

Toll-free number for checking status of FAFSA and corrections, requesting a duplicate SAR, or asking general questions	**1-800-4-FED-AID (1-800-433-3243)**
TTY (for the hearing impaired)	**1-800-730-8913**
Toll number for inquirers calling from foreign countries	**1-319-337-5665**

FAFSA on the Web

General information and technical assistance	**1-800-801-0576**
TTY (for the hearing impaired)	**1-800-511-5806**

Inspector General Hotline

Reporting student aid fraud, waste, or abuse	**1-800-MIS-USED (1-800-647-8733)**

Important Web Sites for School Counselors

Bulk Publication Ordering System	**http://www.edpubs.org/ml**
ED's Information for Students	**http://www.ed.gov/studentaid**
Help in Completing the FAFSA	**http://www.ed.gov/prog_info/SFA/FAFSA**
FAFSA on the Web and Federal School Codes	**http://www.fafsa.ed.gov**
Funding Your Education	**http://www.ed.gov/prog_info/SFA/FYE**
The *Student Guide*	**http://www.ed.gov/prog_info/SFA/StudentGuide**

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Introduction

The High School Counselor's Handbook 2001-02

The *High School Counselor's Handbook* 2001-02 aims to help high school counselors advise students about financial aid for postsecondary education. This book focuses on the student financial aid programs administered by the U.S. Department of Education.

We also have included supplementary materials designed to encourage high school students to consider postsecondary education as an avenue to a more rewarding career.

We welcome any comments or suggestions on ways to make this handbook more useful in future editions. Please send your comments to

U.S. Department of Education
Student Financial Assistance
Student Aid Awareness
400 Maryland Avenue, SW
Washington, DC 20202

If you prefer, you may e-mail comments to
cindy_cameron@ed.gov

We hope you find this publication informative and helpful. To order up to three additional free copies for your staff, call 1-800-4-FED-AID (1-800-433-3243; TTY: 1-800-730-8913). To receive more than three additional copies, call 1-877-4-ED-PUBS (1-877-433-7827).

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Part One

GENERAL INFORMATION ABOUT POSTSECONDARY OPPORTUNITIES

Many high school students don't know they may be eligible for financial aid to attend college. Unfortunately, many of the neediest students assume they can't afford to go to college to continue their education. But financial aid is available through private, school, state, and federal student aid programs.

To help students find out more about the U.S. Department of Education's (ED's) student financial assistance programs, you can give them copies of *Funding Your Education*, a free ED publication especially for high school students. Each fall ED sends a letter with instructions on ordering *Funding Your Education* and the *Free Application for Federal Student Aid* (FAFSA) to every high school on our mailing list. (ED will automatically send the quantity requested in the previous year's initial order, but you can change the quantity by following the instructions in the letter.) Individual copies may also be ordered by mail or by telephone from ED's Federal Student Aid Information Center (FSAIC):

Federal Student Aid Information Center
P.O. Box 84
Washington, DC 20044
Telephone: 1-800-4-FED-AID (1-800-433-3243)
TTY: 1-800-730-8913

Inquirers calling from foreign countries might not have access to the toll-free number; they can call 1-319-337-5665.

High schools may order additional bulk quantities of *Funding Your Education* (in English or Spanish), the FAFSA, and the Spanish version of the FAFSA via ED's Bulk Publication Ordering System (BPOS) on the Internet:

http://www.edpubs.org/ml

BPOS will ask for your "ML number," which you can find in the upper left corner of the mailing label on items sent to you by our office, Student Financial Assistance. BPOS allows you to order publications or check the date and quantity of previous orders. Counselors without access to the Internet may order publications from a customer service representative at 1-800-394-7084. Other publications available through BPOS are the *Student Guide* (a comprehensive description of the federal student aid programs), a brochure promoting *FAFSA on the Web*, a brochure listing useful web sites about financial aid, and a brochure explaining how convictions for possession or sale of drugs can affect eligibility for federal student aid.

Students can receive a free copy of any of these publications by calling the FSAIC. Some of these items are also available on the Internet:

Funding Your Education
http://www.ed.gov/prog_info/SFA/FYE

FAFSA on the Web
http://www.fafsa.ed.gov

Student Guide
http://www.ed.gov/prog_info/SFA/StudentGuide

SOURCES OF AID

The U.S. Department of Education's student financial aid programs are authorized by the Higher Education Act of 1965. The programs deliver billions of dollars, as the following pie chart for 1998-99 shows, representing a substantial federal commitment to provide financial assistance for postsecondary students. For 1999-2000, these programs provided approximately $51 billion in aid to an estimated 8.4 million people.

Other important sources of aid, some of which are nonfederal, may also be available to your students. Encourage your students to search on the Internet and check the reference section of the school library or public library. Appendix A of this book has some helpful references. Many scholarship search services are free or low cost. Students are strongly encouraged to check out the reputation of a search service before paying for the service. (See page 9 for details.)

The major federal student financial aid programs

- Federal Pell Grant Program—Federal Pell Grants are awarded according to rules set by Congress. If a student is eligible on the basis of these rules, an eligible school will pay the student his or her Federal Pell Grant and be reimbursed by ED.

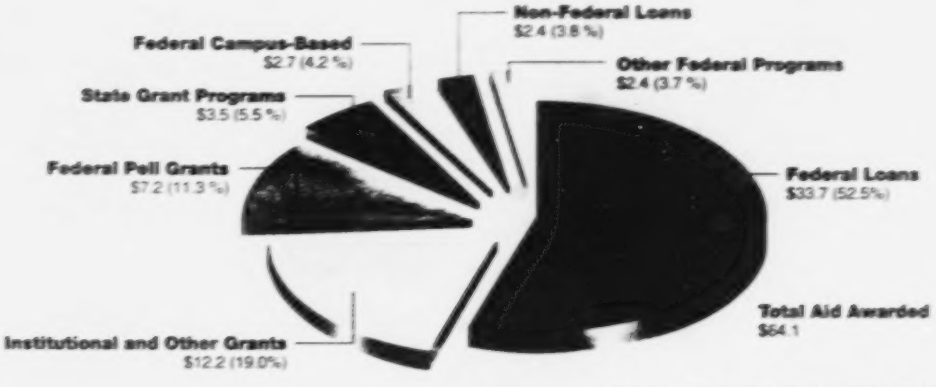
- Campus-Based Programs—Campus-based programs are administered by the financial aid office at the school. ED funds participating schools annually at a specified level. The school then awards these funds to students following federal guidelines. When the funds are spent, no more campus-based aid is available at that school for the year. Therefore, the earlier an eligible student applies, the more likely he or she is to receive available campus-based aid.

The campus-based programs are

  - Federal Supplemental Educational Opportunity Grants (FSEOG)
  - Federal Work-Study (FWS)
  - Federal Perkins Loans

- William D. Ford Federal Direct Loan Program—The William D. Ford Federal Direct Loan (Direct Loan) Program enables eligible students and parents to borrow from ED instead of from a bank or other lending institution. This allows borrowers to work with a single entity, ED, through its servicing centers when repaying loans or dealing with loan-related issues. The Direct Loan Program offers a range of flexible

Estimated Student Aid by Source for Academic Year 1998-99
(Current dollars in billions)



Source: The College Board. *Trends in Student Aid, 1999*

repayment options to meet borrowers' varied financial circumstances. There are four types of Direct Loans:

- Federal Direct Stafford Loans (subsidized)
- Federal Direct Stafford Loans (unsubsidized)
- Federal Direct PLUS Loans (for parents)
- Federal Direct Consolidation Loans (to combine federal education loan debts)

■ Federal Family Education Loan (FFEL) Program—The funds lent under the FFEL Program are provided by banks and other lenders, guaranteed by state agencies, and reinsured by the federal government. The FFEL Program also offers a variety of loan repayment options. There are four types of FFELs:

- Federal Stafford Loans (subsidized)
- Federal Stafford Loans (unsubsidized)
- Federal PLUS Loans (for parents)
- Federal Consolidation Loans (to combine federal education loan debts)

As noted above, the Direct Loan Program and the FFEL Program have subsidized and unsubsidized loans.

■ Subsidized loans are awarded to students on the basis of financial need. The federal government pays the borrower's accrued interest during some significant periods, such as when the student is in school, thereby "subsidizing" these loans.

■ Unsubsidized loans are not need based; the borrower is responsible for accrued interest throughout the life of the loan.

Both subsidized and unsubsidized loans are available to students. PLUS Loans are available to parents and are always unsubsidized.

A student cannot borrow from both the FFEL Program and the Direct Loan Program at the same school for the same enrollment period. Similarly, a parent cannot borrow from both programs at the same time for the same student. The school the student plans to attend will tell the student which program he or she can borrow from at that school.

REMEMBER:

✔ Grants (Pell and FSEOG) are gift aid and do not have to be repaid.

✔ Loans (Perkins, Direct, and FFEL) must be repaid.

✔ Work-study (FWS) provides income (which does not have to be repaid) from a part-time job.

See *Funding Your Education* and the *Student Guide* for more information on ED's federal student financial aid programs. Ordering information for individual copies is on page 3.

Other ED programs

Leveraging Educational Assistance Partnership Program

The Leveraging Educational Assistance Partnership (LEAP) Program, formerly known as the State Student Incentive Grant (SSIG) Program, assists states in providing grants to eligible students for postsecondary school. Each state has its own name for this grant program, as well as its own award amounts and application procedures. States may use a percentage of their LEAP funding to provide work-study assistance through community-service job programs. Many of the eligibility criteria are established by the state agency administering the program, although LEAP recipients must also meet the same basic eligibility criteria that apply to other federal student financial aid recipients. Student and school inquiries about LEAP and other state grant, scholarship, and work-study assistance should be directed to the appropriate state agencies. State agencies are listed in Appendix B of this book.

Note: It is a common requirement that a recipient of LEAP funds be a resident of the state awarding the funds. The definition of residency varies from state to state. Please ensure that your students contact the agency of the state in which they live, not of the state in which they plan to attend college.

Robert C. Byrd Honors Scholarship Program

Under the Robert C. Byrd Honors Scholarship Program (Byrd Program), which recognizes and promotes student excellence and achievement, ED makes grants to the states to provide scholarships to exceptionally able postsecondary students. Applicants must follow the application procedures established by the sponsoring state education agency. The state education agency establishes procedures for selecting the scholars after consulting with school administrators, school boards, teachers, counselors, and parents. Scholarship recipients may be awarded an amount each year (not to exceed the cost of attendance) for each of their first four years of study at any institution of higher education. State agencies are listed in Appendix B.

Note: At the time this book was published, funding for the Byrd Program for 2001-02 was not secured. Contact your state agency for further information.

Vocational rehabilitation programs

ED also provides assistance for disabled persons through programs administered by state vocational rehabilitation agencies. Students must meet state eligibility criteria for these programs, and this aid must be coordinated with student aid from other sources to prevent duplicating benefits. A student is most likely to receive the maximum assistance by contacting, as early as possible, the state agency administering the program(s) for his or her home state and the financial aid office at the school he or she plans to attend. State vocational rehabilitation agencies are listed in the state government section of the telephone book. (See the blue pages.) Many are listed as the Division of Vocational Rehabilitation.

Other federal programs

Federal income tax credits

Two federal income tax credits—dollar-for-dollar reductions in income tax liability—are available for higher education expenses.

- The Hope Credit, a tax credit worth up to $1,500 per student per year, is available to qualified first-year and second-year students enrolled at least half time.
- The Lifetime Learning Credit is a tax credit up to $1,000 (equal to 20 percent of a family's total annual tuition and related expenses up to $5,000) for virtually any postsecondary education and training, including undergraduate years, graduate and professional schools, and even less-than-half-time study.

The Hope and Lifetime Learning Credits may not be claimed at the same time for the same student.

For further information on these income tax credits, access "Tax Info for You" on the Internal Revenue Service's web site at

http://www.irs.ustreas.gov

National and community service

AmeriCorps, a program of national and community service, provides full-time education awards of up to $4,725 a year. Individuals may work before, during, or after their postsecondary education and can use the funds either to pay current or future education expenses or to repay federal student loans. In many cases, participants must be at least 18, be high school graduates, have General Education Development (GED) certificates, or be working toward their GEDs. For more information, students may call 1-800-942-2677 or write to

The Corporation for National Service
1201 New York Avenue, NW
Washington, DC 20525

Or students may access the corporation's web site at

http://www.americorps.org

Job training

The U.S. Department of Labor administers the Workforce Investment Act (WIA) – formerly the Job Training and Partnership Act – through the states. Funds vary from state to state. In most cases, the states provide funding for job training and sometimes also provide a transportation allowance for students. For information on WIA, students can contact their state employment agency. For a list of state WIA contacts or for general information, they may also access

http://usworkforce.org

Health professions

The U.S. Department of Health and Human Services (HHS) administers several programs for undergraduate students. Students interested in these programs should contact the financial aid office of the school they plan to attend. HHS also administers a number of programs for graduate students in medicine. For more information on financial aid programs administered by HHS, students may call 1-301-443-4776 or access

http://www.hrsa.dhhs.gov/bhpr/dsa/dsa.htm

Veterans benefits

The Montgomery GI Bill–Active Duty Educational Assistance Program offers education benefits for students who entered active duty for the first time after June 30, 1985 and served continuously on active duty for three years. (Students with only two years of active duty also may be eligible under certain conditions.) Students also must have their military pay reduced by $100 a month for the first twelve months of active duty and must obtain a high school diploma or equivalency certificate before the period of active duty ends. Other veterans may be eligible, but those who meet the alternative eligibility criteria are highly unlikely to be high school students. Therefore, we won't detail those criteria here. More information about this program is in the pamphlet *Summary of Educational Benefits Under the Montgomery GI Bill–Active Duty Educational Assistance Program*. This pamphlet is available from the U.S. Department of Veterans Affairs (VA) or at

http://www.gibill.va.gov/education/c30pam.htm

The Montgomery GI Bill–Selected Reserve is a program of education benefits for reservists of the armed forces as well as the Army National Guard and the Air National Guard. To be eligible for this program, a reservist must have a six-year obligation to serve in the Selected Reserve, complete Initial Active Duty for Training (IADT), receive a high school diploma or its equivalent before completing IADT, and remain in good standing in a drilling unit of the Selected Reserve.

Students may qualify for benefits from the Survivors' and Dependents' Educational Assistance Program if they are spouses or children of

- veterans who died or are permanently and totally disabled as the result of a service-connected disability arising from active service in the armed forces;
- veterans who died from any cause while rated permanently and totally disabled from the service-connected disability;
- service persons missing in action or captured in the line of duty by a hostile force; or
- service persons forcibly detained or interned in the line of duty by a foreign government or power.

Benefits may be awarded to pursue associate, bachelor's, or graduate degrees in VA-approved programs. Courses leading to a certificate or

diploma from a business, technical, or vocational school may also be taken (again, the student should make sure the program is approved).

For further information on the Montgomery GI Bill and other veterans benefits, students should call 1-888-442-4551 or access the Veterans Affairs web site at

http://www.gibill.va.gov/education

Other assistance from the military

Reserve officer training military scholarships are available through the Army, Air Force, and Navy. Military scholarship recipients will have a service obligation in either the reserves or active duty after graduating from college. Appendix C provides information for high school students about the Army Reserve Officer Training Corps (ROTC), Air Force Reserve Officer Training Corps (AFROTC), and the Naval Reserve Officers Training Corps (NROTC). Feel free to photocopy and distribute this information.

Active duty military service also offers numerous programs to help students earn or pay for a college degree, either while on active duty or after they have completed their enlistment. For further information about these programs, students should contact a local U.S. Armed Forces recruiter.

Students who borrow federal student loans may be interested in repayment assistance from the U.S. Army's Loan Repayment Program. For a four-year enlistment in a selected skill in the Active Army, up to $65,000 in repayment assistance may be available. For an enlistment in the Army reserve, up to $20,000 may be available. For more information, students should contact a recruiting officer.

Another option available to students is admission to one of the service academies: the U.S. Military Academy, the U.S. Naval Academy, the U.S. Air Force Academy, and the U.S. Coast Guard Academy. To apply to a service academy, a student must meet the academic, physical, and medical requirements specified by each academy's admission standards and obtain a written nomination from a member of Congress. (Only the Coast Guard Academy does not require a congressional nomination.) Web sites for the service academies are listed below:

U.S. Military Academy (West Point)
http://www.usma.edu

U.S. Naval Academy
http://www.nadn.navy.mil

U.S. Air Force Academy
http://www.usafa.af.mil

U.S. Coast Guard Academy
http://www.cga.edu

Nonfederal sources: state, private, school

Many states offer prepaid tuition programs. The typical program allows families to set aside a predetermined amount each month; the savings cover full tuition at a public state school or a specified amount toward tuition at a private or out-of-state school. Students can contact their state education agency for more information; telephone numbers are listed in *Funding Your Education* and in the *Student Guide*. Some agencies have web sites describing their prepaid tuition plans and other state aid. You can link to state agencies' sites by clicking on "Apply" at

http://easi.ed.gov/studentcenter

A student might also qualify for a private grant or scholarship for academic achievement, religious affiliation, ethnic or racial heritage, community activities, artistic talents, leadership potential, athletic ability, proposed field of study, or hobbies and special interests.

The American Legion offers an inexpensive guide to private sources of aid called *Need a Lift?* (see Appendix A for ordering information). Other books

about financial aid usually are available through a school library or public library. In addition, many postsecondary schools can tell you about institutional and local sources of student financial aid.

> ***Note:** Students can get free scholarship and search services information at*
> ***http://www.finaid.org***
> ***http://college-scholarships.com/100college.htm***
> ***http://www.fastweb.com***

Computerized scholarship search services match a prospective student with sources of financial aid. Some postsecondary schools provide these services free or at low cost. There are also many privately operated scholarship search services; these services tend to be relatively expensive, so a student or parent should consider the extent of the search being offered before committing to such a service. More than 75 percent of all aid awarded comes from federal and state programs that students can easily find out about through *Funding Your Education*, other free publications, and web sites.

Each year, ED receives numerous complaints from students and parents who did not receive the information they expected from a search service. Although ED does not evaluate private search services, the "Looking for Student Aid" brochure provides some helpful guidelines for students considering using a search service. A sample handout in Appendix C lists some questionable tactics students should be aware of.

Students can receive a free copy of "Looking for Student Aid" from the FSAIC. The text is also available at

http://www.ed.gov/prog_info/SFA/LSA

A student considering using a search service can check its reputation by contacting

- their local Better Business Bureau. Local offices are listed in the phone book; alternatively, students can search for offices at

  http://www.bbb.com

- the Federal Trade Commission's (FTC's) Freedom of Information Branch (ask for "any documents in the FTC's records that pertain to the service") at

  Freedom of Information Act Request
  FOIA Branch, Office of General Counsel
  Federal Trade Commission
  600 Pennsylvania Avenue, NW
  Washington, DC 20580
  Fax: 1-202-326-2477
  E-mail: foia@ftc.gov

  (Telephone inquiries are not accepted.)

  > ***Note:** There may be a charge for this service ($14 or higher). The student should indicate the maximum amount he or she is willing to pay. If the charge is going to be higher, the FOIA Branch will call the student to ask whether he or she would like the information search to be canceled.*

- the U.S. Postal Inspection Service Fraud Unit's toll-free number, 1-800-372-8347 (9:00 a.m. to 7:30 p.m. eastern time). The student should listen to the menu and select the appropriate option for the state in which the service is located, not for the state from which the student is calling.

- a state attorney general's office (which will be listed in the State Government section of the phone book).

GENERAL ELIGIBILITY REQUIREMENTS

Eligibility for federal student financial aid programs is based on financial need rather than on academic achievement. To have his or her financial need determined, a student must complete and file a *Free Application for Federal Student Aid* (FAFSA). Part 3 of this handbook discusses the correct completion of the FAFSA.

Additionally, to be eligible for federal student financial aid program funds, a student must

- have a high school diploma or its equivalent, receive a passing score on an independently administered examination approved by ED, or have a certificate of completion of a home-study program recognized by the student's home state;
- enroll as a regular student in an eligible degree or certificate program;
- be a U.S. citizen or eligible noncitizen;
- have a valid Social Security Number (with the exception of students from the Republic of the Marshall Islands, Federated States of Micronesia, or the Republic of Palau);
- make satisfactory academic progress;
- sign certifying statements on the FAFSA such as agreeing to use federal financial aid funds only for educational expenses; and
- be enrolled at least half time to be eligible for Direct Loan or FFEL Program funds.

Note: This is not a comprehensive list of eligibility requirements.

Most male students must be registered with Selective Service to receive federal aid. Students who must register for the Selective Service may use the FAFSA to do so. One of the questions on the FAFSA asks a male applicant if he wants the Selective Service to register him. Students can call the Selective Service toll free at 1-888-655-1825 (9:00 a.m. to 5:00 p.m. eastern time; Monday-Friday) for general information about registering or access

http://www.sss.gov

Note: Male students can register with the Selective Service online at the above web site.

A recent law suspends aid eligibility for students convicted of the sale or possession of drugs. If a student has a conviction or convictions for these offenses, he or she should call the FSAIC to find out how the law applies to the student.

An affected student can regain eligibility early by successfully completing an approved drug rehabilitation program.

DEMONSTRATING NEED

As we've said, a student must demonstrate financial need to be eligible for most federal student aid. At its simplest level, a student's financial need is the difference between the student's cost of attendance at the school and the amount the family is expected to contribute to the student's education.

Cost of attendance

The financial aid administrator at a school usually develops an average cost of attendance for different categories of students. Some programs of study might have lab fees or higher charges for books and supplies than other programs. Students living off campus might have higher costs for room and board and transportation expenses than students living on campus.

For the federal student financial aid programs, the financial aid administrator must use the definition of "cost of attendance" given in the law when determining what expenses to include. The law specifies that the cost of attendance includes tuition and fees and an allowance for living expenses, such as room and board, books and supplies, miscellaneous personal expenses (including a reasonable allowance for renting or purchasing a personal computer), and transportation costs. The law also provides limited allowances for loan fees, dependent-care costs, and expenses for disabled students.

Note: Many high school students (and their parents) don't immediately understand that the definition of "cost of attendance" includes more than just tuition. Funding Your Education explains the concept in the section titled "Eligibility Criteria."

Need analysis

The process of analyzing a student's financial need, known as need analysis, focuses on determining how much the family reasonably can be expected to contribute toward the student's education. Traditionally, this is done by collecting information about the family's income, assets, and living expenses. For the federal student financial aid programs, the law specifies a need analysis formula that produces the Expected Family Contribution (EFC). The EFC is used with the cost of attendance to award Federal Pell Grants, campus-based aid, and subsidized loans.

Calculating the EFC

For an EFC calculation, a student must complete and file the FAFSA. Unlike college admissions applications, the FAFSA is sent to an ED processing center, rather than directly to a college. The student's information is entered into ED's computer system, which then calculates the student's official EFC. The application process for financial aid is described in Part 2 of this handbook, and completing the FAFSA is discussed in Part 3 of this handbook.

Note: An EFC Estimator feature is available to students who apply using FAFSA Express or FAFSA on the Web. These applications can be found at

http://www.fafsa.ed.gov

Determining the Federal Pell Grant amount

To determine the amount of a student's Federal Pell Grant, the financial aid administrator considers the cost of attendance, the EFC, and other factors.

- The lower the EFC is (the less money the family is assumed able to pay for school), the higher the grant award is; a student with a zero EFC—no family contribution is expected—has the most need and may be eligible to receive the largest possible Federal Pell Grant award.
- The maximum Pell-eligible EFC for 2000-01 was 3100. At the time this book was published, the maximum for 2001-02 had not been determined. For information, contact the FSAIC.

How aid is awarded

The Federal Pell Grant Program is considered the first source of aid to a student, so the award amount is not affected by other aid the student receives. For 2000-01, the maximum yearly grant was $3,300. At the time this book was published, the maximum grant for 2001-02 had not been determined. For more information, contact the FSAIC.

Also note that awards do not change above a certain cost of attendance. For instance, in 2000-01, if a student had a zero EFC, the student's award was $3,300 if the student went to a school that had a cost of attendance of $3,300 or higher.

A student who is attending two different postsecondary schools during the same enrollment period must notify the financial aid administrators at both schools. The student may not receive Pell Grants at both schools.

When awarding campus-based aid or subsidized loans, the financial aid administrator must consider other aid available to the student in addition to the EFC.

- For example, again using 2000-01 figures, consider a student with an EFC of 500 who enrolled in a program that cost $6,000.
  - The student then needed $5,500 in financial aid to go to school ($6,000 - $500 = $5,500).
  - However, when the student received a $2,850 2000-01 Federal Pell Grant and a $1,000 outside scholarship, the student's need was reduced by $3,850.
  - Therefore, the aid administrator could award up to $1,650 (the remaining need) in the form of campus-based aid and a subsidized Federal or Direct Stafford Loan ($5,500 - $3,850 = $1,650).

When processing unsubsidized Federal or Direct Stafford Loans or PLUS Loans, the aid administrator doesn't use the EFC to determine the student's or parent's eligibility because these loans are not need based. In fact, a parent may use a PLUS Loan to meet the EFC.

- The amount of the loan may not exceed the difference between the student's cost of attendance and all other aid the student is receiving, including aid from private and other nonfederal sources.
- The school must consider the student's eligibility for other aid before determining a loan amount.
  - For instance, if an independent student in his or her first year of study in 2000-01 had a cost of attendance of $7,000 and was eligible for a maximum Federal Pell Grant of $3,300 and a maximum subsidized Stafford Loan of $2,625, the aid administrator could approve the student for an unsubsidized Stafford Loan of up to $1,075 ($7,000 - $3,300- $2,625 = $1,075).

As we have seen, federal student aid awards ultimately are made on the basis of the student's EFC. It is important to note that even though eligibility for unsubsidized loans is not based on the student's EFC, the student's eligibility for financial aid awarded on the basis of the EFC is considered when awarding these loans.

Financial aid package

Using all available federal and nonfederal aid, the financial aid administrator puts together a financial aid package that comes as close as possible to meeting the student's demonstrated need; because funds for all programs are limited, however, the amount awarded can sometimes be less than the amount for which the student is eligible. The financial aid package usually is presented to the student in an award letter.

> ***Note:*** *The student may accept or decline any of the financial aid offered. Students often have questions about the financial aid package; these questions are best handled at the postsecondary school. ED does not regulate how postsecondary schools package aid, as long as it is done consistently.*

LOAN DEFAULT AND CHOICE OF SCHOOL

In recent years, increasing attention has been given to default rates for federal student loan programs. Studies show that many borrowers are unable to pay back their student loans because they withdrew from their educational programs or were unable to find good jobs after they graduated. The choice of an educational program and a school are critical in helping students prepare for gainful employment.

Students who are seeking career training should be advised to consider the following questions before enrolling at any school.

Are opportunities in the career field stable or expanding?

Some careers are relatively stable, such as computer programming, computer systems analysis, accounting, or teaching. Others fluctuate with the economy and changes in technology. For information on career fields, students might want to read several publications published by the U.S. Department of Labor.

- *Occupational Outlook Handbook* is an encyclopedia of careers describing in detail approximately 250 occupations. Each description includes information on the nature of the work, working conditions, training needed, job outlook, earnings, related occupations, and sources of additional information. 2000-01 edition: Soft cover $49; hard cover $51; CD-ROM $23.

- *Occupational Projections and Training Data* is an annual supplement to the *Occupational Outlook Handbook*, providing statistical data that support the information in the handbook. It includes rankings of approximately 500 occupations by factors such as training requirements, earnings, and susceptibility to unemployment. 2000 edition: $7.00.

- *Occupational Outlook Quarterly* is a quarterly publication containing articles on specific occupations, general trends in the labor market, and other topics. The publication is designed to give practical information about choosing and getting jobs. Single copies $4.00 (limited supplies); annual subscription $9.50.

If your school library doesn't already have these publications, it can order the *Occupational Outlook Handbook* or *Occupational Projections and Training Data* by calling 1-312-353-1880 or by writing to

Bureau of Labor Statistics
Publication Sales Center
P.O. Box 2145
Chicago, Illinois 60690
Fax: 1-312-353-1886

Your library can order the *Occupational Outlook Quarterly* by calling 1-202-512-1800 or by writing to

New Orders
Superintendent of Documents
P.O. Box 371954
Pittsburgh, Pennsylvania 15250-7954
Fax: 1-202-512-2250

Checks for any of the above items should be made out to Superintendent of Documents. Prepayment is required.

The publications are also available on or can be ordered on the Bureau of Labor Statistics web site at

http://stats.bls.gov/opbhome.htm

A free online search is available at

http://stats.bls.gov/ocohome.htm

Students might also want to check the magazine section of the school library or public library for trade and professional magazines and journals that have articles about jobs and training in specific career areas.

Is the career compatible with the student's aptitude and interests?

A school can be very good but not meet a particular student's specific needs. The type of career a student wants will directly influence the type of postsecondary education he or she will need to pursue (a two-year program, four-year program, or a career/vocational program). Many colleges use admissions tests to measure a student's aptitude. The most familiar college admissions tests are the Preliminary SAT/National Merit Scholarship Qualifying Test (PSAT/NMSQT), the SAT, and the ACT. Students generally take these tests during their junior or senior years of high school.

Does a school have a good reputation for educating and placing its students?

Students should check with the local Better Business Bureau, state higher education agency, or consumer-protection division of their state attorney general's office to find out if problems have been reported at the schools they are considering. (The Better Business Bureau will have information primarily on vocational schools.) The FSAIC has the most recent default rates for schools. These rates can indicate the success of the schools' students; a high default rate may be a sign that a school's graduates are having difficulty finding good-paying jobs. In addition, a default rate greater than 25 percent will eventually jeopardize a school's eligibility to award federal loans and grants.

A student can also ask a school representative for the names of the school's accrediting and licensing organizations, which are able to provide information about the school. Prospective students have the right to ask for a copy of the documents describing a school's accreditation and licensing. If a school is accredited, an approved private educational agency or association has evaluated it and found it meets certain minimum requirements that the agency set. A student can also ask employers who hire in the student's intended field for their opinion of the school's program.

How many of a school's students graduate and find employment in the career for which they trained?

Students should also ask about a school's graduation rate. If a high number of students drop out, it could mean they weren't satisfied with the education they received. It's also a good idea for interested students to talk to recent graduates about a school's courses, average class size, instructors, the quality of facilities and equipment, and the earning potential for graduates. Also, if a school provides residence facilities, students should find out whether it's possible to inspect them.

Students should comparison-shop before signing an enrollment contract. If there are several schools offering a particular educational program in the area, a student should visit at least two of the schools before making a decision.

If a school advertises or tells prospective students that it has a successful job-placement program, it must be able to provide statistics, on request, which support that claim. Even if a school doesn't make job-placement claims, it doesn't hurt to ask the school about its graduation rate and job-placement rate. Students should find out if the program the school offers is necessary to get the type of job they want or if employers in that field provide on-the-job training.

In addition, if a school advertises its job-placement rates, it must also advise students of any applicable state licensing requirements for the specific jobs for which students are trained. Students should determine whether the course topics for their programs relate to state requirements or other professional certification requirements.

What are a school's administrative and academic policies?

For example, what is the school's refund policy? A school must make this policy available upon request to current and prospective students. The policy should explain what happens if a student registers for classes but never attends any or drops out of school after he or she starts. If the student receives any student aid from ED (except Federal Work-Study), some or all of the money may have to be returned – by the student or the school – to the aid programs or to the lender for the loans. Even if students don't finish their educational programs, they must repay whatever loans they received, minus the amount that was returned to the lender.

Students should find out about a school's academic policies, such as the requirements for graduation and maintaining eligibility for financial aid. These policies are often grouped together as a "satisfactory academic progress (SAP) policy."

What types of financial aid does a school offer?

Students should find out what types of financial aid are available at schools where they are interested in applying; they should ask for information on all federal, state, local, private, and school financial aid programs. A student should also ask which financial aid programs are available for the educational programs he or she is interested in. Not all educational programs at a school may be eligible for all aid programs.

- ED uses specific legislative and regulatory criteria to determine whether a school and all of its educational programs are eligible for federal student aid programs.
- A school's eligibility to participate in ED's student aid programs is not an indication that ED has endorsed the quality of the education the school offers. ED does not approve a school's curriculum, policies, or administrative practices, except those relating to federal student aid programs.

Students should ask

- What federal student aid programs does the school participate in?
- How does the school select financial aid recipients?
- What are the school's application procedures and deadlines?
- How and when does the school deliver financial aid to its students?
- What are the interest rates and other terms of any student loans?
- What are the operating hours of the school's financial aid office?

It is up to the student to check out a school.

What can be learned from a visit to a school?

A good test of any school is how a student feels about it after a visit. Students should consider making an appointment to visit a school while classes are in session. This will give students a chance to attend classes and talk with other students in the program they are interested in.

An important point to consider: Do the people at the school seem to want to help students learn and plan for their futures?

A student should decide whether the school is a place he or she wants to be at least five days a week for the next six months to several years.

SCHOOLS' RESPONSIBILITIES

The Campus Security Act of 1990 requires a school to compile an annual campus security report. Each year, the school must publish and distribute the report to all current students and provide it upon request to all prospective students.

The Student Right-to-Know Act requires schools to disclose information about graduation rates to current and prospective students. Schools that participate in federal student financial aid programs and offer athletically related student aid are also required to provide information on completion rates to potential student-athletes, their parents, high school coaches, and guidance counselors.

Part One

OPPORTUNITIES FOR DISADVANTAGED STUDENTS

Despite the significant amount of need-based aid available for high school students to continue their education, recent studies show that students and parents from low-income families are less likely to be informed about student financial aid than those from relatively well-off families. Clearly, the problem of access cannot be solved solely by making financial aid available to disadvantaged students. Rather, the solution depends on establishing goals and making choices long before the last year of high school.

An important school responsibility is to help students make the transition from secondary school to college or work. This handbook offers suggestions for addressing a critical problem—misinformation and lack of information about postsecondary options and financial aid.

Myths about financial aid

1. **There isn't enough financial aid for students like me.**

Many students and parents have the impression that the budget for the federal student aid programs has been severely reduced. In fact, funding for these programs has grown steadily. Federal student aid programs alone provided roughly $51 billion in grants, loans, and work-study assistance to 8.4 million people in 1999-2000. While it's true that even this much aid cannot meet the full financial need of all students, students with the greatest financial need have the best chance of receiving assistance.

2. **Only students with good grades get financial aid.**

Many students think that financial aid is awarded on the basis of grades. While a high grade point average will help a student get into a good school and may help with academic scholarships, most of the federal student aid programs do not take a student's grades into consideration. Provided a student maintains satisfactory academic progress in his or her program of study, federal student aid will help a student with an average academic record complete his or her education.

3. **You have to be a minority to get financial aid.**

Funds from federal student aid programs are awarded on the basis of financial need. These funds are NOT awarded on the basis of minority status. The FAFSA—the financial aid application for these programs—doesn't even collect this kind of information about an applicant.

4. **Millions of dollars in scholarships go unclaimed/unawarded each year, so I'll get some of that money. I won't need government help.**

Most of the money referred to in such statistics is offered by corporations to their employees' children or by organizations to their members' children. While it is well worth researching nonfederal scholarships and grants, the truth is that the majority of student aid awarded comes from the federal government. Therefore, filling out a FAFSA is an important first step for any student. Students should also remember that some states and institutions award aid based on the information reported on the FAFSA.

A sample handout is available in Appendix C to give to students.

Realities about postsecondary education and financial aid

The truth about postsecondary education and federal financial aid is that both are possible for most students. School counselors can help get this message across by emphasizing the following points to students:

1. Stay in school.

Studies show that a person with education beyond high school earns more money in his or her lifetime than someone with only a high school diploma. The job market for noncollege graduates or those with no technical training is much more limited.

The chart below is used with thanks to the Bureau of Labor Statistics. A PDF version of this chart is available at

http://stats.bls.gov/emptab7.htm

2. Aid is available.

Encourage students to apply for aid—counselors can help to demystify the process by involving parents whenever possible. Although poor academic performance in high school and on standardized tests is generally the most serious obstacle to expanding access to college, financial aid can effectively reduce any economic barriers that exist. Federal, state, private, and school aid should all be explored.

3. Not everyone goes to postsecondary school the same way.

Sometimes high school students assume that further schooling means four years of full-time study at a residential college. Not so. Today students can choose from a wide range of postsecondary options, including six-month programs at career schools and two-year degree programs at community and junior colleges within commuting distance, as well as the traditional four-year programs at colleges and universities. Part-time, full-time, evening, Internet, and day classes—the choices are many and varied.

Unemployment and earnings for year-round, full-time workers age 25 and over, by educational attainment

Unemployment rate in 1998 (percent)	Education attained	Median earnings in 1997 (dollars)
1.3	Professional degree	72,700
1.4	Doctorate	62,400
1.6	Master's degree	50,000
1.9	Bachelor's degree	40,100
2.5	Associate's degree	31,700
3.2	Some college, no degree	30,400
4.0	High school graduate	26,000
7.1	Less than a high school diploma	19,700

Source: Unemployment rate: Bureau of Labor Statistics, unpublished data; earnings, Bureau of the Census, unpublished data.

Reaching "at-risk" students

Certain students have the aptitude for postsecondary education but tend not to continue their studies beyond high school or to drop out before completing high school. These students are frequently referred to as "at-risk" students.

Many high schools, postsecondary schools, private organizations, and government agencies have cooperated in developing early-intervention programs for students who otherwise might not go to college. The following list of suggestions is drawn from some of these programs. You can find out more about these early-intervention programs from the sources listed beginning on page 21.

Establish a timetable of age-sequenced activities.

Studies show that the earlier and more often at-risk students are reached, the better they understand the choices they can make. Many fifth, sixth, seventh, eighth, and ninth graders are already forming career aspirations and need guidance in making decisions about high school courses. Tenth, eleventh, and twelfth graders should be

- looking at the choices for postsecondary education,
- discussing their financial situation with parents and counselors,
- participating in pre-college summer programs, if available,
- taking the SAT or ACT,
- applying for aid, and
- selecting a school.

Note: Encourage all students to take the SAT or ACT and apply for federal financial aid, even if they do not plan to enroll in a college or vocational program immediately after high school.

Involve parents as well as students.

Parents need to understand not only college admissions requirements and the rudiments of student financial aid, but also the high school courses needed to pursue postsecondary options. Information on financial planning and how to gather and use information about postsecondary options is necessary for all parents, but it is most important for parents who have no postsecondary experience themselves. To reach working parents of "at-risk" students, arrange for evening or weekend information sessions at convenient locations, such as neighborhood centers and places of worship.

Research has shown that fathers, no matter what their income or cultural background, can play a critical role in their children's education. When fathers are involved, their children learn more, perform better in school, and exhibit healthier behavior. Even when fathers do not share a home with their children, their active involvement can have a lasting and positive impact. *A Call to Commitment: Fathers' Involvement in Children's Learning* describes research findings, discusses strategies for improving and extending fathers' involvement in their children's education, and provides examples of programs that involve fathers in children's learning. This free document is available by calling 1-877-4-ED-PUBS (1-877-433-7827). Alternative methods of ordering are listed in Appendix A.

Establish a tutoring and/or mentoring program.

Setting up a tutoring and/or mentoring program in your school using local college students can be very valuable. An ED study identified more than 1,700 tutoring and mentoring programs operating in 921 colleges and universities involving partnerships with elementary and secondary

schools. These projects have shown positive effects not only on the test scores, grades, and overall academic performance of the tutored students, but also on the students' self-esteem and self-confidence. The college or university participating in the tutoring/mentoring program may be able to pay its student tutors and mentors through the FWS Program.

Provide firsthand information.

There are many approaches to helping students visualize the idea of postsecondary education. Visiting an actual campus is probably the most effective way for students to get a feel for the college experience. However, there are numerous other methods of providing informative and motivational experiences, such as arranging attendance at college fairs or meetings with college admissions representatives, organizing parents for tours of campuses, and inviting recent college graduates to talk to students. Many schools now provide Internet and/or video tours that can be used by students who can't visit the campus. Students need to discuss the things that are keys to success in postsecondary education, such as planning to meet off-campus expenses and allowing enough time for studying. Students' fears and unrealistic expectations can be overwhelming, especially for those who are first-generation college students. So, it's also good for high school students to meet with first-generation college students who are making it or have made it through school.

Provide academic counseling.

The heart of early intervention is academic preparation and proper course selection. Studies show that many students who might be admitted to postsecondary schools are not taking courses at the high school level that would prepare them to do so. Students should be counseled, regardless of their postsecondary plans, to pursue a challenging program of study in high school. Even those students who don't go on to college or career training immediately after high school might change their minds later on. It's also a good idea for high school counselors to work with middle school counselors to ensure that students have the opportunity to take courses that will prepare them for postsecondary education. It's all part of helping students keep their options open.

For more information about choosing the right courses in high school, call the FSAIC and request a free copy of *Think College? Me? Now?* Or download a PDF version from

http://www.ed.gov/offices/OPE/thinkcollege/early/students/college_me.htm

Develop cooperative programs with local postsecondary schools.

In some areas, secondary schools and neighboring colleges encourage students to stay in school and plan ahead by offering them financial incentives. For instance, high school students in one locality are encouraged to sign a contract in which they promise to take certain preparatory courses, attend school regularly, and make good grades. A student who fulfills the contract doesn't have to pay tuition and fees at the local community college.

Early-intervention programs

If your school does not already participate in one of ED's TRIO programs, you might want to research whether it would be possible to do so. The primary purpose of the TRIO programs is to prepare disadvantaged students for successful entry into, retention in, and completion of postsecondary education. Among the TRIO programs are

- **Upward Bound**—aims to increase the rates at which participants enroll in and graduate from institutions of postsecondary education. Projects provide instruction in math, laboratory science, composition, literature, and foreign languages. Other services include academic, financial, or personal counseling; mentoring programs; and assistance in preparing for college entrance exams. Upward Bound serves

high school students from low-income families and high school students from families in which neither parent holds a bachelor's degree (i.e., potential "first-generation" college students).

- **Talent Search**—aims to increase the number of youth from disadvantaged backgrounds who complete high school and enroll in the postsecondary education institution of their choice. The program provides academic, career, and financial counseling to its participants; its services include tutorial services, assistance in completing college admissions and financial aid applications, and workshops for participants' families. Students must be between the ages of 11 and 27 and have completed the fifth grade. In any given project, two-thirds of the participants must be students who are low-income and potential first-generation college students.

- **Student Support Services (SSS)**—aims to increase the college retention and graduation rates of its participants. SSS provides services such as instruction in basic study skills; tutorial services; assistance in securing admission and financial aid for enrollment in graduate and professional programs; and special services for students with limited English proficiency. SSS participants must be enrolled or accepted for enrollment in a program of postsecondary education at a grantee institution. Only potential first-generation college students, low-income students, and students with disabilities evidencing academic need are eligible to participate.

- **Educational Opportunity Centers (EOCs)**—Although EOCs are designed for people at least 19 years old, younger students may use them if the services of a Talent Search program are not available in the target area. EOCs aim to increase the number of adult participants who enroll in postsecondary education institutions. EOCs provide academic advice, career workshops, information on student financial assistance, and assistance in completing college admissions and financial aid applications, among other services. As mentioned, students generally must be at least 19 years old, and two-thirds of them must be low-income and potential first-generation college students.

For additional information on the TRIO programs, contact

TRIO Programs
Higher Education Programs
U.S. Department of Education
7th Floor
1990 K Street, NW
Washington, DC 20006-8510
E-mail: OPE_TRIO@ed.gov
Web site: **http://www.ed.gov/offices/OPE/HEP**

The Council for Opportunity in Education sponsors another web site for the TRIO programs at

http://www.trioprograms.org

Another early-intervention initiative administered by ED is called Gaining Early Awareness and Readiness for Undergraduate Programs (GEAR UP). Created in the Higher Education Amendments of 1998, GEAR UP is designed to encourage low-income students to have high expectations, stay in school, study hard, and take the right courses to prepare for college. Usually an entire class of students—who must not be beyond seventh grade when they enter the project—will be targeted. The program awards grants on a competitive basis to states and to partnerships. The partnerships must consist of colleges, low-income schools (usually middle or junior high schools), and at least two other partners such as community organizations, businesses, or religious groups.

GEAR UP has two major components: (1) the Early Intervention Component, under which a GEAR UP project provides early college preparation and awareness activities to participating students through comprehensive mentoring, counseling, outreach, and other supportive services; and (2) the Scholarship Component, under which a GEAR UP project establishes or maintains a financial assistance program that awards scholarships to

participating students. Partnership projects must provide early college preparation and awareness activities, and they are encouraged to provide college scholarships, although they are not required to do so. State projects must provide both early college preparation and awareness activities and scholarships for participating students. For further information about GEAR UP, see **http://www.ed.gov/gearup** or call 1-202-502-7676.

There are a wide range of private programs that guarantee college tuition. The U.S. General Accounting Office (GAO) identified four main types of programs in its 1990 report "Promising Practice: Private Programs Guaranteeing Student Aid for Higher Education":

- Sponsorship programs, begun either by individuals or organizations, promise tuition for postsecondary education to students who are successful during their kindergarten through high school years. The programs often target elementary school students and provide extensive support services throughout their school years.

- "Last-dollar" programs help high school students apply for student aid and promise to make up the difference between the aid received and the cost of attendance.

- University-based programs may guarantee students admission and tuition at a particular institution and also offer mentoring and other services while selected or volunteer students complete high school. (A few universities are required by the donor to guarantee tuition at other schools besides the host school.)

- "Pay-for-grades" programs typically offer tuition reduction in exchange for high grades. Because they offer few support services to students, GAO concluded that these programs appeared least likely to affect disadvantaged youths' college attendance rates.

If you would like to order the GAO report, you may receive one free photocopy by calling 1-202-512-6000 and requesting document number PEMD-90-16. The GAO order fax number is 1-202-512-6061.

Part Two

APPLICATION PROCESS FOR FINANCIAL AID

Federal law requires ED to ensure that students can apply for federal aid without paying a fee. To be considered for most of the federal student aid programs (such as Federal Pell Grants, Federal Direct Stafford Loans, and Federal Stafford Loans), a student must complete and submit the *Free Application for Federal Student Aid* (FAFSA). This application (available in English or Spanish) collects financial and other information used to calculate the Expected Family Contribution (EFC), which postsecondary schools use to determine the student's eligibility for aid.

FAFSA data are transmitted electronically to ED's Central Processing System (CPS) when a student completes an electronic application. When a student completes a paper application, FAFSA processors input the FAFSA data and send that data to the CPS. The CPS uses this information to calculate the EFC and produce an output document reporting that EFC. The student will receive the output document (either a *Student Aid Report*—SAR—or a *SAR Information Acknowledgement*) from the CPS within one to four weeks of submitting the FAFSA, depending on the type of FAFSA submitted. (See pages 33 and 34 for descriptions of the SAR and *SAR Information Acknowledgement*.)

Schools listed in Step 6 of a student's FAFSA automatically receive the student's information from the CPS. The schools receive the processed FAFSA in electronic form, in what is known as the *Institutional Student Information Record* (ISIR). Only schools listed (or added later) by the student receive the student's ISIR. Any other school must receive a SAR directly from the student or be given permission (by the student) to request the student's information from the central processor.

To find out whether a school participates in ED's student financial aid programs, a student can call the Federal Student Aid Information Center (FSAIC) at **1-800-4-FED-AID** (1-800-433-3243; TTY: **1-800-730-8913**; number for inquirers calling from foreign countries: **1-319-337-5665**) or search for the school on the federal school codes list at

http://www.fafsa.ed.gov

ED's processing cycle for FAFSAs lasts 18 months. For the 2001-02 award year, application processing begins January 2, 2001, and FAFSAs for that year will be accepted until July 1, 2002. Some schools have limited institutional-aid funds that are awarded on a "first-come, first-served" basis to eligible students. Because of this, it is important that students complete and submit the FAFSA as early as possible after January 2, 2001.

***Note:** A student may not submit a 2001-02 FAFSA for processing before January 2, 2001 or after July 1, 2002. Applications signed or sent outside this span of time will be returned to the student unprocessed with a letter explaining why the application was not processed.*

BEST COPY AVAILABLE

PART TWO

HOW TO APPLY

Students apply for federal student financial aid by completing the FAFSA, either electronically or on paper. Even if students are applying only for a federal loan, they must submit a FAFSA. To complete the FAFSA, students need copies of their Social Security cards, driver's licenses, income tax returns (and their parents' returns), Form(s) W-2, current bank statements, records of untaxed income (such as welfare benefits, Social Security, TANF, etc.), and records of any stocks, bonds, and other investments and assets.

A student does not have to pay a fee for submitting a FAFSA. To be considered for state or institutional aid, a student might be required to complete additional questions on a separate nonfederal form, and a fee might be charged for processing this additional information. Students should check with the schools to which they plan to apply and their state agencies to find out if aid applicants are required to submit additional data on nonfederal forms. Because many school and state deadlines are very early (many between January and April 2001), students and parents should fill out their tax forms and then the FAFSA as soon as possible after January 2. Those who are unable to complete tax forms early should estimate amounts and fill out the FAFSA accordingly.

Students must complete the FAFSA accurately. If a student submits a paper FAFSA, the document must be legible and mailed to the address specified in the FAFSA in time for it to be received by the deadline. The same deadlines apply if the student is filing the FAFSA electronically. (See page 36 for a complete list of deadlines.)

Note: Please caution students that there are NO EXCEPTIONS TO THE DEADLINES.

It is important to note, however, that states and schools often set earlier deadlines in awarding aid from some of ED's programs, including the campus-based programs (Federal Perkins Loans, Federal Supplemental Educational Opportunity Grants, and Federal Work-Study); for information on these deadlines, the student should check with schools he or she is applying to. The student must also keep in mind that eligibility does not continue year to year, and a FAFSA or Renewal FAFSA needs to be filed each year.

Note: BE SURE TO ADVISE STUDENTS TO READ THE FAFSA AND ITS NOTES CAREFULLY, particularly because most errors are caused by students making inaccurate assumptions about what information is being requested.

We cannot overemphasize how important it is that students read and follow the directions on the FAFSA to ensure that their applications are processed as quickly and accurately as possible. Oversights and careless errors on the application, such as providing incorrect Social Security Numbers (SSNs), cause processing delays. Such delays might cause students who are otherwise eligible to miss deadlines to qualify for aid.

It is also important for students to save all records and other materials used in completing the FAFSA (including photocopies of their completed FAFSAs) because they might need them later if either ED or their schools select them for a process called "verification" (see page 34). This means that the students will have to provide documentation (such as tax returns) to the school to show that what they reported on the aid application is correct.

Students may apply for aid electronically through *FAFSA on the Web* or *FAFSA Express*, or they may submit a paper FAFSA. Additionally, some schools will submit application data for the student using software called EDExpress. **Note that all of these application methods are free.**

A student needs to complete the FAFSA only once each year, in whichever form is most convenient. After the first year, a student may complete the shorter Renewal FAFSA.

Students can check on the processing status of their FAFSAs or any corrections they've made by calling **1-800-4-FED-AID** (1-800-433-3243) and answering questions asked by an automated

system. TTY users (who call **1-800-730-8913**) will be connected to an operator rather than to an automated system. Students calling from a foreign country might not have access to the toll-free number; they can call **1-319-337-5665**. Alternatively, a student can check the status of the application at

http://www.fafsa.ed.gov

An applicant whose SSN, name, and date of birth are confirmed by the Social Security Administration at the CPS's request will receive an identification number called a PIN from the CPS in a mailing separate from the SAR. (The PIN was formerly called the Electronic Access Code.) The PIN can then be used as an electronic signature if the student applies again in subsequent years or if the student makes corrections electronically using *Corrections on the Web* (see pages 34-35). Students can request a PIN at

http://pin.ed.gov

The student should keep his or her PIN in a safe place; it is used to access personal information and as an electronic signature.

It is a good idea for the student to create a financial aid folder in which to keep copies of FAFSAs, SARs, PINs, award letters from schools, loan promissory notes, etc.

Electronic application methods

FAFSA on the Web

FAFSA on the Web – available in both English and Spanish – allows students to complete their FAFSA applications faster and more easily than any other application method. This Internet application allows students to submit their FAFSA information directly to ED's Central Processing System (CPS). One advantage of *FAFSA on the Web* is the detailed online help accessible from each question or from a general help button.

The CPS determines eligibility for financial aid and sends an ISIR to the listed schools within 72 hours after receiving a completed application and signature. The signature can take the form of an electronic signature – available for applicants who have requested one electronically or those who received one due to filing a FAFSA in a previous year (see information about PINs above) – or a paper signature page the applicant has printed from the site, signed, and mailed to the CPS. Meanwhile, the student has instant access to an estimation of his or her Expected Family Contribution (EFC) through *FAFSA on the Web*. **It is important to note that FAFSA on the Web provides only an estimate; the official EFC will be sent to the student in the mail.** However, once the student's FAFSA has been processed, the student may view the official EFC results at the *FAFSA on the Web* site. (The PIN is required for this.) The address for *FAFSA on the Web* is

http://www.fafsa.ed.gov

Note that to protect the student's private data, FAFSA on the Web requires the use of certain approved browsers. The FAFSA on the Web site lists the currently approved browsers. Because many students and schools already have the appropriate browser, this method might be the easiest way for students to apply electronically. If a student or school has a newer version of a browser than that listed on the web site, the student will still be able to use FAFSA on the Web.

The application follows the question order of the paper FAFSA but also contains informational text at the beginning of each section to assist the student in completing the form. The application uses "skip logic" so that students are asked only the questions that apply to them and skip those that don't. Built-in edits help students detect and correct any errors before submitting the data to the CPS. This feature significantly reduces the number of applications rejected by the CPS. (For comparison, approximately 6 percent of paper FAFSAs are rejected, while less than 1 percent of electronic submissions are rejected.)

***Note:** Before completing FAFSA on the Web, the student may print out the site's Pre-Application Worksheet, which lists the financial information the applicant and parent will need to collect before they go online to submit a FAFSA.*

Students can save their information on the *FAFSA on the Web* site, where it will remain for 45 days. For more information about *FAFSA on the Web*, or for technical assistance, students may call **1-800-801-0576 (TTY: 1-800-511-5806)**.

To complete the process, a student either signs electronically using his or her PIN or prints, signs, and mails a signature page. If the student doesn't do either, he or she will receive a rejected SAR in the mail. The student (and parent, if appropriate) must sign this rejected SAR and return it to the FAFSA processor.

***Note:** To verify that their FAFSA on the Web application was transmitted successfully, students can check at http://www.fafsa.ed.gov*

The CPS processes the data and sends the school(s) the ISIR; the student is sent a *SAR Information Acknowledgement* and – if he or she does not already have one – a PIN.

Juniors in high school or other students who will not be attending college in 2001-02 might be interested in a feature of *FAFSA on the Web* and *FAFSA Express* (see below) called "early analysis," through which the student submits an application to see what the results would have been. This allows the student and his or her parents to plan for when the student actually applies for aid. Furthermore, the student will receive a PIN and can use it to access *Renewal FAFSA on the Web* in subsequent years. *Renewal FAFSA on the Web* displays the information given by the applicant the previous year; the student simply updates information as necessary. The independent student will not need to print, sign, and mail a signature page because his or her PIN acts as an electronic signature. Once PINs are available for parents, a dependent student's parents will be able to request PINs beforehand so that they too will be able to sign *FAFSA on the Web* or *Renewal FAFSA on the Web* electronically rather than mailing a signature page.

Based primarily on feedback from students, parents, and schools, we have made the following improvements to *FAFSA on the Web* for 2001-02:

- The PIN is captured up front, making the signature process easier.
- The home page has been redesigned, with a new organization making the student's choices clearer.
- Technical re-engineering reduces scrolling, makes navigation easier, and reduces browser problems.
- The improved progress bar makes clearer to applicants which sections they still need to complete.
- The improved "save" process allows the applicant to save the application to the web site, where it is held for 45 days. The diskette save feature, which was confusing to some applicants, has been eliminated.
- The user may enter his or her e-mail address to receive an electronic "postcard" confirming receipt of the application.

We recommend that students apply as early as possible; as state deadlines approach, the numbers of students accessing *FAFSA on the Web* increase greatly and the site is slower.

FAFSA Express

FAFSA Express software allows students to apply electronically using an IBM-compatible computer with a Windows operating system and a modem. Like *FAFSA on the Web*, the *FAFSA Express* program automatically edits applicant answers, resulting in better, more accurate information and fewer

applications rejected by the CPS. *FAFSA Express* also offers "early analysis" (see page 28). Copies of *FAFSA Express* can be downloaded from

http://sfadownload.gov/FAFSA/fexpress.html

Note: A student who files using FAFSA Express can save his or her data to a diskette.

If the student does not have a PIN to use as an electronic signature, he or she prints, signs, and mails a signature page. (If the student does not print and mail a signature page, he or she will receive a rejected SAR in the mail. The student – and parent, if appropriate – must sign this rejected SAR and return it to the FAFSA processor.)

The CPS processes the data and sends the school(s) the ISIR; the student is sent a SAR and – if he or she does not already have one – a PIN.

EDExpress

Students also may file the FAFSA at a postsecondary school through ED's EDExpress software. To do so, a student completes a paper FAFSA and asks the school to enter the FAFSA information electronically. After reviewing the entered data, the school sends the information electronically to ED's CPS.

Note: Schools are not required to send student FAFSAs through EDExpress.

The CPS processes the data and sends the school the ISIR; the student is sent a *SAR Information Acknowledgement* and – if he or she does not already have one – a PIN.

Paper application method

Students may complete a paper FAFSA (available in English or Spanish) and submit it for processing using the accompanying envelope. Photocopies or faxes of the FAFSA will not be accepted. Students should keep a photocopy of the completed form for their own records.

The applicant can mail the postcard that comes with the FAFSA. The processor will stamp the date the FAFSA is received and mail the postcard back.

Note: Applicants should send only the FAFSA itself (pages 3-6) and the enclosed postcard to the processor. They should not send copies of their tax returns, the worksheets on page 8 of the FAFSA, or any other documentation.

The CPS will process the data and send the school(s) the ISIR; the student is sent a SAR and – if he or she does not already have one – a PIN.

Advantages of electronic applications

FAFSA on the Web is the quickest and easiest method of applying; *FAFSA Express* offers many of these advantages as well:

- Pre-Application Worksheet helps students gather financial information
- detailed online help provides immediate answers
- "skip logic" asks students only questions that apply to them
- built-in edits detect errors and reduce number of rejected applications
- applicants have instant access to EFC estimate
- information is sent directly to CPS
- applicants can verify that information was transmitted successfully
- students who won't attend college next year can use "early analysis"
- SAR arrives within a week or two, compared to four weeks with paper FAFSA

The PIN offers the following options:

- applicant's electronic signature
- access to *Corrections on the Web* to add schools or correct or update information
- access to Renewal FAFSA
- access for request of duplicate copy of SAR
- parent signature (planned for future)

HOW THE APPLICATION IS PROCESSED

The CPS analyzes the information from the FAFSA and calculates an EFC to determine how much a student and his or her parents can be expected to pay toward the student's postsecondary education. As discussed in Part 1, the EFC measures the family's financial strength on the basis of the income and assets of the student and the student's parents or, if the student is married, the student's spouse. The EFC formula also takes into account the family's expenses as they relate to the number of people in the household and how many of them will be attending college during the award year.

If the student's EFC is less than the cost of attendance, a student is considered to have financial need. A student with a zero EFC—meaning the family can contribute no money—may receive the maximum Federal Pell Grant award, depending on the student's cost of attendance and enrollment status. The higher the EFC—the more the family can contribute—the less the student's need. If the student's EFC is above a maximum number determined each award year by Congress, the student will not receive a Federal Pell Grant. (Please see "Demonstrating Need" in Part 1 of this book.)

The CPS uses a series of edits to check the consistency of FAFSA information. For instance, it would be inconsistent for the dependent student of a single parent to report income earned from work for two parents. If the FAFSA data are inconsistent, the CPS may be unable to calculate the EFC or may calculate an EFC based on assumptions. If assumptions have been used, they are indicated on the student's SAR or *SAR Information Acknowledgement;* the student must make sure the assumptions are correct. The SAR and *SAR Information Acknowledgement* include instructions for making corrections.

If the student submits a second FAFSA for the same academic year, the CPS does not reprocess the student's data based on the second FAFSA. The only items that may change as a result of filing a second FAFSA are the student's address and the schools the student lists. The student should consult the financial aid office before filing more than one FAFSA for the same academic year.

Data matches

In addition to checking the FAFSA data against predetermined edits, the CPS also performs several database matches. If discrepancies arise, the student's records are flagged and the student may not be eligible to receive federal aid unless the discrepancy is resolved. Resolving such a discrepancy usually requires the student to submit additional documentation to the school where he or she is applying. The SAR and *SAR Information Acknowledgement* include the appropriate instructions for the student.

Social Security Administration matches

The CPS matches FAFSA data against Social Security Administration (SSA) records to check the validity of a student's Social Security Number (SSN). If the SSN is invalid or is not in the database, the student will receive a rejected SAR, and a comment will appear instructing him or her to review the SSN. The student will also receive a comment if the SSN is a valid number but the name and/or date of birth reported on the FAFSA don't match the SSA's records. In either case, the student must resolve the SSN discrepancy before he or she can receive federal aid. This may be done by correcting the SSN or providing documentation that the SSN is correct. For advice about the best course of action in their circumstances, students should contact the financial aid administrator at the school they plan to attend.

If the student indicates on the FAFSA that he or she is a U.S. citizen, ED also conducts a match with the SSA to verify U.S. citizenship status. The results of the citizenship match are printed on the student's SAR or *SAR Information Acknowledgement*. When a student's reported data conflict with the SSA's database—or when no citizenship match can be performed—the SAR or *SAR Information Acknowledgement* will indicate that there is a conflict. The student must then provide the school with documentation substantiating his or her citizenship claim.

In 2000-01, the SSA database match was expanded to check whether the SSA has a date of death listed for the person with that SSN. The match is intended to detect when someone might be fraudulently attempting to receive federal financial aid.

Planned for 2001-02 is a database match with the SSA's Prisoner's File. The SSA will check to see whether the applicant is incarcerated and, if so, whether the student is in a local, state, or federal facility. Aid eligibility varies depending on what kind of institution the student is in.

Immigration and Naturalization Service (INS) match

The CPS also matches FAFSA records against citizenship records maintained by the U.S. Immigration and Naturalization Service (INS). If the student reports on the FAFSA that he or she is an eligible noncitizen (and, therefore, could be eligible for federal student aid) and reports an Alien Registration Number, that information will be checked against the database maintained by the INS. If the match does not confirm the student is an eligible noncitizen, he or she will receive a comment on the SAR or *SAR Information Acknowledgement*. A student is not eligible for aid until his or her status as an eligible noncitizen is resolved.

National Student Loan Data System (NSLDS) matches

The CPS also matches FAFSA data with the NSLDS, which identifies students who have defaulted on any Federal Perkins Loans, Direct Loans, or FFEL Program loans. If a student is found to be in default and has not made satisfactory arrangements to repay, he or she will receive a comment on the SAR or *SAR Information Acknowledgement*. A student is not eligible for aid until the default status is resolved. The NSLDS match also reveals whether a student owes a refund of a student aid overpayment.

Other matches

The CPS also performs matches against

- registration status information maintained by the Selective Service and
- veteran status maintained by the U.S. Department of Veterans Affairs (for students who say they are independent on the basis of their veteran status).

Additionally, the Secretary of Education is authorized by the Higher Education Amendments of 1998 to confirm certain FAFSA data (e.g. Adjusted Gross Income) with the Internal Revenue Service (IRS). ED did not implement this match in 2000-01 but is working with the IRS to develop a study comparing 2000-01 FAFSA income data with IRS data.

Reviewing the SAR and SAR Information Acknowledgement

Students who apply using a paper FAFSA will receive a SAR in the mail within four weeks of mailing the FAFSA. Students who apply using *FAFSA Express* will receive a SAR within 10 to 14 days of mailing the signature page. Those who use *FAFSA on the Web* and those who make changes using *Corrections on the Web* (see page 34) will receive a *SAR Information Acknowledgement* within 10 to 14 days of mailing the signature page. (In the case of any of these electronic transactions, the student receives the response faster if he or she signs electronically). Students who transmit electronic applications or corrections through their schools using EDExpress will receive a *SAR Information Acknowledgement* about 10 days after the school submits the information to the CPS.

The student does not need to take or send the SAR or *SAR Information Acknowledgement* to a school that already received the student's EFC and FAFSA information electronically in the form of an ISIR. If a student is interested in having a school that he or she did not list on the FAFSA receive an ISIR, the student can add that school to the list (see page 35) or give the school permission to add itself. Note that the school must receive the student's information in one of the above forms in order for the student to receive federal aid at that school.

Students can request duplicate copies of their SARs in two ways:

- A student with a PIN accesses *FAFSA on the Web* at

  http://www.fafsa.ed.gov

- Using a touch-tone phone, the student calls the FSAIC and – after selecting the English- or Spanish-language option – presses Feature #1. An automated system will ask the student to enter his or her SSN and the first letter of his or her last name. The duplicate SAR is then sent automatically. TTY users will be connected to an operator rather than to an automated system.

Student Aid Report (SAR)

The SAR serves as an eligibility letter to the student. Unless the student's SAR has been rejected, the EFC is printed on the front page at the upper right. The eligibility letter also includes instructions such as how to make corrections to the data the student supplied on the FAFSA.

Following the letter is a section for the financial aid administrator's use and a page of summary data from the NSLDS. If the student has not had any previous federal student loans, much of this page will be blank.

Next is a summary detailing the information the student supplied on the FAFSA. The "YOU TOLD US" column lists the information the student reported on the application. There is space for the student to correct the information (if necessary) under the column headed "WRITE IN INFORMATION FOR NEW OR CORRECTED ITEMS ONLY." Data elements questioned by the CPS are highlighted in bold type. If a student receives a rejected SAR, this section will highlight specific information for the applicant to provide so his or her eligibility can be determined by the CPS. A rejected SAR does not include an EFC. Rejected SARs are sent when applications have inconsistent data or insufficient data to calculate an EFC. Students might also receive rejected SARs if there are other problems, such as a missing signature page for an electronic application.

If the student makes any changes to the data on the SAR, he or she must return the form for reprocessing. At schools that participate in EDExpress, financial aid administrators can make the changes electronically.

The student's data release number (DRN) appears at the top of all pages of the SAR. The student will need the DRN if he or she wants to add schools to those listed on the SAR by having a school add itself electronically or by calling the FSAIC. As noted on page 35, the student can use his or her PIN to add schools through *Corrections on the Web*. The DRN is not the same as the PIN: the DRN is the student's permission for the financial aid administrator or the FSAIC to access his or her file, while the PIN gives the student access to his or her file and acts as an electronic signature.

SAR Information Acknowledgement

Students who apply through *FAFSA on the Web*, apply through a school using EDExpress, or make corrections through *Corrections on the Web* receive a noncorrectable *SAR Information Acknowledgement* from the CPS. This acknowledgement allows the student to review the processed information and results; the document may not be used to submit changed or corrected data. If changes or corrections are needed, they must be made through EDExpress at the school or through *Corrections on the Web*, or the student may request a duplicate paper SAR to make a correction.

Verification

The effectiveness of the federal student financial aid programs depends, in large part, on the accuracy of the data reported by students. It directly affects the eligibility of millions of applicants for these programs. Because of this, schools must verify information provided by students selected by the CPS, following procedures established by federal regulations. The CPS prints an asterisk next to the EFC on the SAR or *SAR Information Acknowledgement* to identify students who have been selected for verification. (A code is also provided on the ISIR sent to schools.) If the student is selected for verification, a school's financial aid administrator must check the information the student reported on the FAFSA, usually by requesting a copy of signed tax returns filed by the student and, if applicable, the student's parent(s) or spouse. Many schools also select applications to be verified in addition to those selected by the CPS.

Making changes

There are situations in which the student will have to change information that was reported on the application. This consists of correcting errors or updating certain information.

Corrections and updating

As previously stated, students can make corrections using the SAR or can have the school transmit corrections electronically through EDExpress. Even if the student did not originally apply through EDExpress, a school may still be able to make the corrections electronically if the student takes the corrected information to the school.

If the student has a PIN, he or she can quickly and easily correct or update information using *Corrections on the Web*, which is available at

http://www.fafsa.ed.gov

Corrections on the Web allows the student to change all data elements except the SSN and date of birth (these are identifying elements that, along with the PIN, authenticate the user). The PIN the student uses to access *Corrections on the Web* acts as an electronic signature, so there is no need for the student to send a signature page to the CPS. If a dependent student changes information about his or her parent(s), one of those parents must sign a signature page.

When a student files a FAFSA, it creates a "snapshot" of the financial situation of the student's family as of the date the application was completed. Errors

may occur, however, because the student filled in the wrong information on the FAFSA.

The student can access *Corrections on the Web* using his or her PIN, correct the SAR and mail it back to the CPS, or ask the school to submit the correction electronically. A SAR or *SAR Information Acknowledgement* will be sent to the student and the same corrections will be sent to the school on an ISIR.

The student is not allowed to update income or asset information to reflect changes to the family's financial situation that took place after the FAFSA was filed. For example, if the student's family spent some of their savings after filing the FAFSA, the student may not update his or her information to show a change in the family's assets. However, there are three items that the student **must** update:

- a change in dependency status,
- a change in the number of family members in the household (only if the student is selected for verification), and
- a change in the number of family members enrolled in postsecondary schools (only if the student is selected for verification).

Note: If any of these changes occurs as a result of a change in the student's marital status, the student is not permitted to update accordingly.

The student should speak to the school's financial aid office directly if there will be a significant change in the family's income for the present year or other changes that cannot be reported on the SAR or electronically.

Dependency status and overrides

Most students entering a postsecondary school straight from high school are considered financially dependent on their parents. This means their parents have to provide information on the FAFSA (see Part 3 of this handbook). In unusual circumstances, a student who would normally be considered dependent can be considered independent. The financial aid administrator at a school can make a special determination of independence and override the student's dependency status on the FAFSA. Students who believe that they have compelling and unique reasons to be considered independent should contact the financial aid office at the school they are planning to attend. Students should note that the school is not required to perform dependency overrides, and if the financial aid administrator determines that an override is not appropriate, his or her decision cannot be appealed to the U.S. Department of Education.

Adding a school

If a student wants to have his or her FAFSA information sent to an additional school after filing the FAFSA, the student may use the SAR or *Corrections on the Web* to add the new school. A student using *Corrections on the Web* is allowed to make corrections only once per day. Therefore, if the student wants to change all six schools more than once, he or she will have to access *Corrections on the Web* on at least two different days.

If the student calls the FSAIC to add the school or gives the school permission to add itself, the student will need to provide his or her DRN from the SAR or *SAR Information Acknowledgement*.

***Note:** No more than six schools may receive the student's ISIR. When new schools are chosen to receive the ISIR, a corresponding number of schools will no longer receive ISIRs with any information the student updates.*

2001-02 DEADLINES

Here are some important deadlines for the 2001-02 application cycle for students and schools. At the time this book was published, most of these dates were not official and were scheduled to be announced in July 2001. For further information after July 2001, contact the FSAIC.

A 2001-02 FAFSA or a Renewal FAFSA must be submitted to the application processor

- no earlier than

  January 1, 2001 (paper submission)

  January 2, 2001 (electronic submission)

- and received no later than

  July 1, 2002

  ***Note:** The front page of the FAFSA provides the state deadlines for state aid. Schools may have their own deadlines for campus-based and school financial aid.*

- If a student needs to make SAR corrections, the SAR must be received by the application processor no later than

  August 16, 2002 (paper submission)

  August 27, 2002 (8:00 p.m. eastern) (electronic submission)

- A student may request a duplicate SAR through

  August 16, 2002 (paper submission)

  August 27, 2002 (electronic [phone request])

- To establish a student's eligibility for a Federal Pell Grant, a school must receive a SAR, *SAR Information Acknowledgement,* or ISIR for the student **while the student is still enrolled** for that award year, but no later than

  September 3, 2002

- A student whose application information is being verified may be given up to 90 days after his or her last day of enrollment in which to complete verification. (However, the disbursement of funds from certain programs may be restricted to shorter periods, which may end prior to the overall 90-day allowance referred to above.) Verification is considered complete when the school receives a valid output document (i.e., a SAR, *SAR Information Acknowledgement,* or ISIR) based on the verified information. However, the verification extension cannot continue beyond

  September 3, 2002

Part Three

COMPLETING THE FREE APPLICATION FOR FEDERAL STUDENT AID

As mentioned in Part *2* of this handbook, if a student wishes to receive federally funded student financial aid to attend a postsecondary school, he or she must complete the *Free Application for Federal Student Aid* (FAFSA). Many states and schools also rely on the FAFSA to distribute their student aid funds.

A student does not have to pay to have the FAFSA processed. ED uses the information collected on the FAFSA to calculate the Expected Family Contribution (EFC). The EFC is used to determine what a family can pay toward postsecondary education and, in turn, a student's financial aid eligibility.

Notes within the FAFSA explain specific terms and definitions and direct how questions are to be answered. Additional help on completing the FAFSA can be found at

http://www.ed.gov/prog_info/SFA/FAFSA

A student can complete (and submit) the FAFSA electronically through *FAFSA on the Web* or *FAFSA Express*. (See Part *2* of this handbook.)

- For *FAFSA on the Web*, go to

  http://www.fafsa.ed.gov

- For *FAFSA Express* go to

  http://sfadownload.ed.gov/FAFSA/fexpress.html

A student also can submit the FAFSA electronically by asking the college to transmit the information through software called EDExpress, although not all schools have this capability.

Alternatively, a student can complete a paper FAFSA and mail it to ED's processor:

Federal Student Aid Programs
P.O. Box 4008
Mt. Vernon, Illinois 62864-8608

Spanish FAFSAs should be sent to

Federal Student Aid Programs
P.O. Box 4016
Mt. Vernon, Illinois 62864-8616

A black-and-white draft copy of the 2001-02 paper FAFSA appears at the end of this section. This copy is for information purposes only and not for submission. Comments to improve the FAFSA may be sent to

U.S. Department of Education
FAFSA Coordinator
Application Processing
ROB-3; Room 4621
Washington, DC 20202-5454

BEST COPY AVAILABLE

POINTERS FOR COMPLETING THE FAFSA

The paper FAFSA for 2001-02 is white, green, and purple. Green sections are for students to complete; purple sections are for parents to complete.

The answers on the paper FAFSA are read electronically. To complete the paper version, a student should

- use black ink;
- fill in each answer oval completely;
- print clearly in CAPITAL letters and skip a box between words;
- report dollar amounts without cents; and
- report dates as numbers in the boxes provided (such as 02/14/1999 for February 14, 1999 or 02/1999 for February 1999).

The following description of the FAFSA follows the paper version of the application. This information should help counselors answer questions that students and parents might have about the FAFSA.

We made a number of changes to the FAFSA for 2001-02. Most were made as a result of comments we received from students and parents. The changes include

- The application is cleaner and easier to read.
- The toll number for the Federal Student Aid Information Center (FSAIC) has been added for the benefit of students who live outside the U.S.
- The notes explaining what to include in reporting investments have been clarified.
- There is more space to fill in the applicant's first name and address.
- There are now three worksheets; Worksheets A and B collect information about untaxed income, and Worksheet C collects information about income exclusions.
- The requests for the number of people in the parents' household and the number in college have been clarified.
- The notes explaining who is considered a parent have been clarified.

STEP ONE (Questions 1-35)

Questions 1-16

Purpose: Questions 1-16 collect information used to track and identify a student (name, telephone number, address, Social Security Number, and so on) as well as other information that affects a student's basic eligibility for federal student aid. For instance, there is a question about citizenship because a student must be a U.S. citizen (or eligible noncitizen) to receive federal student aid.

Note: For questions 1-16, if a question does not apply, the student should leave it blank.

- **Questions 1-3** ask for the student's name. The name, along with other identifying information, is used for several data matches. Because the U.S. Department of Education (ED) matches the student's name and Social Security Number (SSN) with the Social Security Administration (SSA), the name here should match the name on the student's Social Security card. Otherwise, the student will be told there was an inconsistency during processing, and other data match results may be off.

  The student should be very careful when entering his or her SSN; although the SSN can be corrected after the *Student Aid Report* (SAR) is produced, the number originally entered will always be used as the student's ID and is likely to cause confusion and extra work for the financial aid administrator if it doesn't match the student's SSN. (The best way to remedy this situation is for the student to file a new original FAFSA using the correct SSN.)

- **Questions 4-7** ask for the student's permanent mailing address. The student generally must give a permanent home mailing address (not a school or office address).

  Exception: An incarcerated student must use his or her college's administrative address and include with the FAFSA a letter from the school indicating that he or she is incarcerated and, because of this, is using the school's address.

- **Question 8** asks for the student's SSN. A student must have an SSN to apply for federal financial aid. If the student submits a FAFSA without an SSN, the FAFSA will be returned to the student unprocessed. To get an SSN, or to determine what it is if a student's Social Security card has been lost, the student must contact the local Social Security office. For additional information (in English and Spanish), call the SSA at 1-800-772-1213 (TTY: 1-800-325-0778).

  Exception: A student from the Republic of the Marshall Islands, the Federated States of Micronesia, or the Republic of Palau is not required to have an SSN. He or she should submit the FAFSA to the following address, not to the address printed on the FAFSA envelope:

  Federal Student Aid Programs
  P.O. Box 4010
  Mt. Vernon, Illinois 62864-8610

- **Question 13** asks about U.S. citizenship and eligible noncitizenship. This is the first question on the FAFSA to refer to a reference note on page 2 of the application. An "eligible noncitizen" is someone who is

  - a U.S. permanent resident with an Alien Registration Receipt Card (I-551),
  - a conditional permanent resident (I-551C), or
  - an eligible noncitizen with an Arrival-Departure Record (I-94) from the U.S. Immigration and Naturalization Service showing a designation of refugee, asylum granted, indefinite parole, humanitarian parole, or Cuban-Haitian entrant.

  An eligible noncitizen should provide his or her Alien Registration Number in question 14.

Note: Anyone who isn't a citizen or an eligible noncitizen is ineligible for federal student aid. However, he or she may be eligible for state or school aid and, therefore, should complete the FAFSA since many states and schools use it to award their own student aid funds. (The student might wish to check with the financial aid administrator at the school he or she plans to attend.)

- **Questions 15 and 16** ask about the student's marital status "as of today" (the day the application is completed). Because of the way a student's income and assets are treated in the Expected Family Contribution (EFC) calculation, marital status cannot be projected—the student must report his or her marital status as of the date the application is completed.

Questions 17-35

Purpose: Questions 17-35 collect certain eligibility information as well as information on the student's college enrollment plans for the 2001-02 award year, intended course of study, and preference for types of federal student financial aid.

- **Questions 17-21** ask whether the student plans to attend full time, three-quarter time, half time, less than half time, or not at all during upcoming terms. A student who is not sure should mark "Full time." A student attending a traditional semester-based school should fill out information for Fall 2001 and Spring 2002 (a winter term is not usually an option at such schools).

- **Questions 22 and 23** ask for the highest level of school completed by the student's father and mother. Some state agencies use this information to award grants and scholarships. "Father" and "mother" in these questions mean the student's birth parents or adoptive parents, but not stepparents or foster parents. Note that this definition of parents is unique to this question. All other questions use the definition given on page 7 of the FAFSA.

- **Questions 24-26** ask for the student's state and date of legal residence. This information is used in the Expected Family Contribution calculation to determine the appropriate allowance for state and other taxes paid by that state's residents. It also indicates which state agency should receive the student's FAFSA information. (Many state agencies use the FAFSA to award state-based student aid.)

- **Question 30** asks for the student's grade level at the beginning of the 2001-02 school year. This question helps establish how much money the student may borrow under federal loan limits.

- **Question 32** asks whether the student will have a first bachelor's degree before July 1, 2001, because eligibility for Federal Pell Grants and FSEOGs is almost exclusively restricted to students who have not yet received bachelor's degrees.

- **Questions 33 and 34** ask the student to indicate what types of aid, in addition to grants, he or she is interested in receiving. If a student isn't sure about wanting loans or work-study, he or she should answer "Yes." That way the student will be considered for all types of aid that are available; at a later date, the student can decline any awarded aid he or she does not want.

- **Question 35** asks whether the student has been convicted of any illegal drug offense. If the student has been convicted, he or she is not necessarily ineligible for aid. Students with convictions will receive worksheets with their SARs to determine whether the conviction affects the student's eligibility for federal student aid. Students with convictions should still complete and submit the FAFSA because even if they are ineligible for federal student aid, they may still be eligible for state or institutional aid. Many states and schools use the data supplied by the FAFSA to determine students' eligibility for aid from those entities.

  If a student leaves FAFSA question 35 blank, he or she may not be able to receive aid.

STEP TWO (Questions 36-51)

Questions 36-51

Purpose: Questions 36-51 collect the student's (and spouse's) income and asset information. (The FAFSA collects parents' income and asset information in Step Four.) This information is used to calculate the student's (and spouse's) portion of the EFC. The questions about income collect information on base-year income, as well as income tax paid, tax-filing status, and the number of exemptions claimed. The base year for applicants for 2001-02 is the 2000 tax year. Questions give line references to the 2000 IRS tax forms. The questions about assets ask for savings and net worth of investments and businesses.

> *Note: In this section, students are directed to enter 0 if the answer to a question is zero or the question does not apply.*

- **Questions 36-38** ask the student if he or she has completed a 2000 tax return yet, which income tax return was filed or will be filed, and whether the student was eligible to file a 1040A or 1040EZ. ED's Central Processing System (CPS) uses this information to edit the student's data and to identify who is eligible for the simplified needs test.

- **Questions 39-43** ask the student (and spouse) for income information reported on his or her tax returns. Each question gives the line reference to the 2000 IRS tax forms. ED recommends, but does not require, that a student file the IRS tax forms before completing the FAFSA. If the student files a foreign tax return, the student should convert the value of the foreign income and taxes paid into U.S. dollars, using the exchange rate in effect at the time he or she completes the FAFSA. If the student files a tax return with Puerto Rico, Guam, American Samoa, the Virgin Islands, the Republic of the Marshall Islands, the Federated States of Micronesia, or the Republic of Palau, the student should report the information as stated on these returns.

- **Questions 44-46** collect information about the student's (and spouse's) untaxed income and benefits and income exclusions. To provide this information, the student completes the columns on the left side of Worksheets A, B, and C. (Copies of the worksheets are on page 58 of this handbook.) It is important to review the items on these worksheets carefully, even if the student may have just a few of these items to report. These worksheets are not submitted to ED. Instead, the student enters the totals for the worksheets in Questions 44-46.

  Worksheet A asks for "Social Security benefits received that were not taxed." Tax filers can determine this amount from the IRS form 1040 by subtracting the taxable portion of Social Security benefits from total Social Security benefits.

- **Questions 47-49** ask the student for information about cash, savings, and checking accounts, as well as net worth of investments, net worth of business, and net worth of investment farm. The net worth of investments is equal to investment value minus investment debt, and the net worth of business is equal to business value minus business debt. It is important for students to read the notes for the investment question (47); the notes specify certain items to include and not to include. Students should not include a farm that the student lives on.

  An Education IRA in the student's name should be included in the student's assets, even if the parents opened the account and have made every contribution to it.

  The CPS will automatically calculate a simplified EFC for a student who meets certain income and tax-filing requirements. When an applicant meets the requirements for a simplified needs test, family assets are not used in the EFC calculation. All applicants include asset

information, and the CPS makes the adjustment for the applicant as appropriate. Even if the asset information isn't taken into account in calculating the EFC, some states and schools require this information for their own programs.

- Questions 50 and 51 ask about the student's veterans education benefits and for how many months they will be received. If students receive veterans education benefits, they must report the amount of monthly benefits they expect to receive during the school year (from July 1, 2001 through June 30, 2002). Benefits include a range of assistance that the U.S. Department of Veterans Affairs offers, such as the Montgomery GI Bill benefits and other benefits described in Part 1 of this handbook.

Veterans education benefits are not used in the EFC calculation. Instead, the law requires that education benefits offered by the U.S. Department of Veterans Affairs be treated

- as a resource when determining the student's eligibility for campus-based financial aid programs, and

- as estimated financial assistance (EFA) when determining the student's eligibility for Direct Loan or FFEL Program loans. (However, note that Montgomery veterans benefits are excluded from EFA when determining eligibility for subsidized FFEL and Direct Stafford Loans.)

This means that schools use veterans benefits when packaging aid.

STEP THREE (Questions 52-58)

Questions 52-58

Purpose: The questions in this step determine whether a student is a dependent student or an independent student for purposes of calculating the EFC. Even if the student has unusual circumstances, this section must be answered. A school's financial aid administrator has the authority to override a student's dependency status on the initial application or by correcting the SAR if he or she decides that a dependent student should be considered an independent student.

Note: In this section, the student must answer either "Yes" or "No" to each question.

- Questions 52-58 ask the student whether he or she meets any of these criteria:
  - Were you born before January 1, 1978?
  - Will you be working on a master's or doctorate program (such as an MA, MBA, MD, JD, or PhD) in school year 2001-02?
  - As of today, are you married? (The student should answer "Yes" if he or she is separated but not divorced.)
  - Do you have children who receive more than half their support from you?
  - Do you have dependents (other than your children or spouse) who live with you and will receive more than half of their support from you through June 30, 2002?

    Note: A student whose unborn child will be born before the end of the award year and will be supported by the student can answer "Yes." This applies to male students as well as females.
  - Are you an orphan or ward of the court or were you a ward of the court until age 18?
  - Are you a veteran of the U.S. Armed Forces?

A "veteran of the U.S. Armed Forces" for federal financial aid purposes is someone who has engaged in active duty in the Army, Navy, Air Force, Marines, or Coast Guard and was released under a condition other than dishonorable. Someone who was a cadet or midshipman in one of the service academies or who was called to active duty in the National Guard or Reserves for purposes other than training is also a veteran if he or she was released under a condition other than dishonorable. The student should answer "No" if he or she has not engaged in active duty in the U.S. Armed Forces or is an ROTC student, is a cadet or midshipman in a service academy, or is a National Guard or Reserves enlistee who has never been activated for duty other than training. The student also should answer "No" if he or she is currently serving in the U.S. Armed Forces and will continue to serve through June 30, 2002.

If a student answers "Yes" to being a veteran, the name is submitted for a database match with U.S. Department of Veterans Affairs.

Note: If the student answers "Yes" to any one of these questions, he or she is classified as an independent student, even if the student is still living with his or her parents. If the student is not living with his or her parents but cannot answer "Yes" to any of these questions, the student is dependent and must include his or her parents' information in Step Four.

A student answering "Yes" to any question in Step Three skips Step Four and goes to Step Five.

A student answering "No" to every question here goes to Step Four.

STEP FOUR (Questions 59-83)

Questions 59-69

Purpose: Questions 59-69 collect information about the student's parents and their household, such as household size, number in college, marital status, age, and state of legal residence.

Before completing these questions, the student should read the notes on page 7 of the FAFSA; these notes explain who is considered a parent. The term "parent" is not restricted to biological parents. There are some instances in which a person other than the student's biological parent is treated as the student's parent.

- If the student's parents are both living and married to each other, the student answers the questions about them.
- If the student's parent is widowed or single, the student answers the questions about that parent. If the widowed parent has remarried as of the day the FAFSA is completed, the student answers the questions about that parent **and** the person whom that parent married.
- If the student's parents are divorced or separated, the student answers the questions about the parent he or she lived with more during the past 12 months. If the student did not live with one parent more than the other, he or she answers in terms of the parent who provided the most financial support during the past 12 months or during the most recent year that the student actually was supported by a parent. If this parent has remarried as of the day the FAFSA is completed, the student answers the questions on the rest of the form about that parent **and** the person whom that parent married.

  Dependent students must answer questions in Step Four even if they do not currently live with their parents.

- Some students might have additional questions. The following information may help answer them.
  - Adoptive parents: Adoptive parents are considered the same as birth parents for purposes of this step.
  - Legal guardians: Legal guardians are not considered to be a student's parents.
  - Foster parents: Foster parents are not considered to be a student's parents.
  - Grandparents (or aunts or uncles): Nonparent relatives (or nonrelatives) are NOT considered to be the student's parents—even if the student is living with them—unless they have adopted the student.
  - Common-law marriage: If a student's parents are living together and are not married but meet the criteria in their state for a common-law marriage, the parents should be reported as married. If the state does not consider the situation to be a common-law marriage, then the parent information should be filled out as if they are divorced.

  Note: If the student's last surviving parent dies after the FAFSA has been filed, the student must update question 57 using the methods described on pages 34-35 of this handbook for updating information.

- Question 64 collects information on how many people are in the parents' household. The applicant should include
  - the student (even if he or she doesn't live with the parent) and the student's parent(s);
  - the parents' other children, if the parents will provide more than half of their support from July 1, 2001 through June 30, 2002 or if the other children would be considered

dependent if they were applying for federal student aid (i.e., if they could answer "No" to every question in Step Three of the FAFSA);

- the parents' unborn child if that child will be born before June 30, 2002; and
- other people currently living with the student's parents, if the parents provide more than half of their support and will continue to provide more than half of their support from July 1, 2001 through June 30, 2002.

- Question 65 asks who in the parents' household will be college students in 2001-02 in a program that leads to a college degree or certificate. The FAFSA notes say always to count the student. However, others in the parents' household may be included only if they will attend at least half time in 2001-02. Parents may not be included in the number in college.

- Question 66 asks for the parents' state of legal residence. Students with parents who do not live in the U.S. should enter "FC" (foreign country) for this question.

Questions 70-83: Parents' Income and Asset Information

Purpose: Questions 70-83 collect the student's parents' income and asset information to calculate the parents' portion of the EFC. The questions ask about income, taxes paid, tax filing status, and the number of exemptions claimed. The questions about assets ask for cash, savings, and checking, as well as net worth of investments and businesses.

Note: A portion—and only a portion—of the parents' income and assets is included in the EFC as being available for the student's educational costs.

Questions 70-80

Purpose: Questions 70-80 collect information on the base-year income of the parents, as well as income tax paid, tax-filing status, and the number of exemptions claimed. The base year for applicants for 2001-02 is the 2000 tax year. Questions give line references to the 2000 IRS tax forms.

Note: If the answer to a question is zero or the question does not apply, the student should enter 0.

- **Questions 70-72** ask if the student's parents have completed a 2000 tax return yet, which income tax return was filed or will be filed, and whether the parents were eligible to file a 1040A or 1040EZ. The CPS uses this information to edit the application data and to identify who is eligible for the simplified needs test.

- **Questions 73-77** ask the student (or his or her parents) to enter income information that his or her parents reported on their tax returns. Each question gives the line reference to the 2000 IRS tax forms. ED recommends, but does not require, that parents file IRS tax forms before completing the FAFSA. If the parents file a foreign tax return, the student should convert the income and tax amounts into U.S. dollars, using the exchange rate in effect at the time the student completes the FAFSA. If the parents file a tax return with Puerto Rico, Guam, American Samoa, the Virgin Islands, the Republic of the Marshall Islands, the Federated States of Micronesia, or the Republic of Palau, the student should report his or her parents' information as stated on these returns.

- **Questions 78-80** collect information about the parents' untaxed income and benefits and income exclusions. The parents' information goes into the columns on the right side of Worksheets A, B and C. (Copies of the worksheets are on page 58 of this handbook.) It is important to review the items on these worksheets carefully, even if the parents have just a few of these items to report. These worksheets are not submitted to ED. Instead,

the totals from the worksheets are entered into questions 78-80.

Worksheet A asks for "Social Security benefits received that were not taxed." Tax filers can determine this amount from the IRS form 1040 by subtracting the taxable portion of Social Security benefits from total Social Security benefits.

Questions 81-83

Purpose: Questions 81-83 collect information to determine whether a family's assets are substantial enough to support a contribution toward a student's postsecondary education costs. Questions 81 and 82 deal with net worth of investments and businesses.

An Education IRA in the student's name should be included in the student's assets, even if the parents opened the account and have made every contribution to it.

Note that the family's principal place of residence is not reported as an asset.

The CPS will automatically calculate a simplified EFC for a student who meets certain income and tax-filing requirements. When an applicant meets the requirements for a simplified needs test, family assets are not used in the EFC calculation. All applicants include asset information, and the CPS makes the adjustment for the applicant as appropriate. Even if asset information isn't taken into account in calculating the EFC, some states and schools require this information for their own programs.

- **Questions 81 and 82** ask for net worth of investments, businesses, and investment farms. The FAFSA's notes define these terms: net worth of investments is equal to investment value minus investment debt and net worth of business is equal to business value minus business debt. It is important for parents to read the notes for the investment question, because the notes specify certain items to include and not to include. Parents should not include a farm that they live on.

STEP FIVE (Questions 84 and 85)

Questions 84 and 85

Purpose: Questions 84 and 85 collect information about independent students. Only students who answered "Yes" to one or more questions in Step Three complete this step.

- Question 84 collects information on how many people are in the student's household. The applicant should include
  - the student (and spouse),
  - the student's children, if the student will provide more than half of their support from July 1, 2001 through June 30, 2002,
  - the student's unborn child, if that child will be born during the award year and the student's household will provide more than half of the child's support, and
  - other people currently living with the student, if the student provides more than half of their support and will continue to provide more than half of their support from July 1, 2001 through June 30, 2002.
- Question 85 asks how many of the student's household will be students in 2001-02 in a program that leads to a college degree or certificate. The FAFSA tells the student always to count himself or herself. The student may include others in the household only if they will attend at least half time in 2001-02. The student's parents may not be counted.

STEP SIX (Questions 86-97)

Questions 86-97

Purpose: These questions collect information about which postsecondary schools the student wants to receive his or her FAFSA information. The student can list up to six schools, and ED will send the student's information to each school listed. For each school, the student indicates whether he or she expects to live on campus, off campus, or with his or her parent(s), because housing costs are part of the cost of attendance to be determined by the school and, therefore, affect the amount of financial aid that students can receive.

If the student wants information sent to more than six schools, the student can use his or her SAR to change the schools listed. Part 2 of this handbook describes how a student can add or change schools on the list.

> ***Note:*** *ED's central processor will send data to no more than six schools at a time for one student. For example, if a student originally listed six schools on the application and then updated or corrected information on the SAR or Corrections on the Web and replaced all six schools with new schools, only the second six schools would get the updated or corrected data.*

For a college to receive a student's data, the student must list the college's federal school code or enter the college's complete name, address, city, and state. School codes are not provided in the FAFSA; they are in a separate publication, the "Federal School Code List." ED sends this list to high schools, colleges, and public libraries each fall around the same time the FAFSAs are distributed. ED also makes the federal school codes available through the Internet at

http://www.fafsa.ed.gov

Part Time

STEP SEVEN (Questions 98-102)

Questions 98-102

Purpose: These questions collect the date the FAFSA was completed and student and/or parent signatures (and, if applicable, the FAFSA preparer's information and signature).

By signing the FAFSA, the student and/or parent agree that if asked, they will provide information that verifies the accuracy of the completed form. The signature(s) also certify that the applicant

- will use federal student financial aid only to pay the cost of attending an institute of higher education,
- has no defaulted federal student loans (or has made satisfactory repayment arrangements),
- does not owe money back on a federal student grant (or has made satisfactory repayment arrangements),
- will notify the school if the signer defaults on a federal student loan, and
- understands that the Secretary of Education has the authority to verify income reported on the application with the Internal Revenue Service.

Note: If students and/or parents purposely give false or misleading information, they may be fined $10,000, sent to prison, or both.

- Question 99 is where the student signs the FAFSA. If parents' information was provided in Step Four, one parent who provided information in Step Four must also sign. (A student using *FAFSA on the Web* or *FAFSA Express* must print, sign, and mail a signature page unless the student is able to sign electronically using a PIN; see page 27.)
- There are some circumstances when a high school counselor or a postsecondary school's financial aid administrator may sign the application in place of parents:
  - the parent(s) are not currently in the United States and cannot be contacted by normal means,
  - the current address of the parent(s) is not known, or
  - the parent(s) have been determined physically or mentally incapable of providing a signature.

  Substituting the signature of a counselor or financial aid administrator is a way to move the FAFSA through the processing system. The counselor or financial aid administrator must provide his or her title in parentheses next to his or her signature and briefly state the reason why he or she is signing for the parent(s).

  By signing in place of a parent, the counselor or financial aid administrator is assuring a minimum level of credibility for the data submitted. However, the counselor or financial aid administrator does not assume any responsibility or liability in this process. If a financial aid office finds any inaccuracies in the information reported, the student must correct the information through the correction process described in Part 2 of this handbook.

If the FAFSA was not filled out by the student, the student's spouse, or the student's parents, certain information about the preparer must be provided. High school counselors, financial aid administrators, and others who help students with their FAFSAs by actually completing line items or dictating responses are considered preparers. Preparers must complete the appropriate section of this step even if they are not paid for their services.

- Questions 100-102 require the preparer to provide his or her name, the name of the firm, address, and either his or her SSN or Employer Identification Number. The preparer also must sign and date the FAFSA.

Note: The "school use only" box at the end of the FAFSA is for postsecondary school use, not for high school use.

WHERE ED SENDS THE FAFSA INFORMATION

After ED receives and processes the FAFSA, it sends the processed information to

- the student,
- each school the student lists in Step Six,
- the state agency (or agencies) in the student's state of legal residence, and
- the state agencies of the states in which the schools listed in Step Six are located.

This maximizes the student's chances for receiving state-based and school-based financial aid.

2001-2002 The FAFSA

July 1, 2001 — June 30, 2002
Free Application for Federal Student Aid

OMB # 1845-0001

Use this form to apply for federal and state* student grants, work-study, and loans.

Apply over the Internet with FAFSA ON THE WEB www.fafsa.ed.gov

1 If you are filing a **2000 income tax return,** we recommend that you complete it before filling out this form. However, you do not need to file your income tax return with the IRS before you submit this form.

If you or your family has **unusual circumstances** (such as loss of employment) that might affect your need for student financial aid, submit this form, and then consult with the financial aid office at the college you plan to attend.

You may also use this form to apply for **aid from other sources, such as your state or college.** The deadlines for states (see table to right) or colleges may be as early as January 2001 and may differ. You may be required to complete additional forms. Check with your high school guidance counselor or a financial aid administrator at your college about state and college sources of student aid.

2 Your answers on this form will be read electronically. Therefore:

• use black ink and fill in ovals completely:	Yes ● No ⊗ ✓
• print clearly in CAPITAL letters and skip a box between words:	1 5 E L M S T
• report dollar amounts (such as $12,356.41) like this:	$ 1 2 , 3 5 6 no cents

Green is for students and **purple is for parents.**

If you have questions about this application, or for more information on eligibility requirements and the U.S. Department of Education's student aid programs, look on the Internet at **www.ed.gov/studentaid** You can also call 1-800-4FED-AID (1-800-433-3243/319-337-5665) seven days a week from 8:00 a.m. through midnight (Eastern time). TTY users may call 1-800-730-8913.

3 After you complete this application, make a copy of it for your records. Then **send the original of pages 3 through 6** in the attached envelope or send it to: Federal Student Aid Programs, P.O. Box 4008, Mt. Vernon, IL 62864-8608.

You should submit your application as early as possible, but no earlier than January 1, 2001. We must receive your application **no later than July 1, 2002.** Your school must have your correct, complete information by your last day of enrollment in the 2001-2002 school year.

You should hear from us within four weeks. If you do not, please call 1-800-433-3243 or check on-line at www.fafsa.ed.gov

4 **Now go to page 3 and begin filling out this form. Refer to the notes as needed.**

STATE AID DEADLINES

AR	April 1, 2001 *(date received)*
AZ	June 30, 2002 *(date received)*
*^ CA	March 2, 2001 *(date postmarked)*
* DC	June 24, 2001 *(date received by state)*
DE	April 15, 2001 *(date received)*
FL	May 15, 2001 *(date processed)*
HI	March 1, 2001
^ IA	July 1, 2001 *(date received)*
IL	First-time applicants – September 30, 2001 Continuing applicants – July 15, 2001 *(date received)*
^ IN	For priority consideration – March 1, 2001 *(date postmarked)*
* KS	For priority consideration – April 1, 2001 *(date received)*
KY	For priority consideration – March 15, 2001 *(date received)*
^ LA	For priority consideration – April 15, 2001 Final deadline – July 1, 2001 *(date received)*
^ MA	For priority consideration – May 1, 2001 *(date received)*
MD	March 1, 2001 *(date postmarked)*
ME	May 1, 2001 *(date received)*
MI	High school seniors – February 21, 2001 College students – March 21, 2001 *(date received)*
MN	June 30, 2002 *(date received)*
MO	April 1, 2001 *(date received)*
MT	For priority consideration – March 1, 2001 *(date postmarked)*
NC	March 15, 2001 *(date received)*
ND	April 15, 2001 *(date processed)*
NH	May 1, 2001 *(date received)*
^ NJ	June 1, 2001 if you received a Tuition Aid Grant in 2000-2001 All other applicants – October 1, 2001, for fall and spring terms – March 1, 2002, for spring term only *(date received)*
*^ NY	May 1, 2002 *(date postmarked)*
OH	October 1, 2001 *(date received)*
OK	For priority consideration – April 30, 2001 Final deadline – June 30, 2001 *(date received)*
OR	May 1, 2002 *(date received)*
* PA	All 2000-2001 State Grant recipients and all non-2000-2001 State Grant recipients in degree programs – May 1, 2001 All other applicants – August 1, 2001 *(date received)*
PR	May 2, 2002 *(date application signed)*
RI	March 1, 2001 *(date received)*
SC	June 30, 2001 *(date received)*
TN	May 1, 2001 *(date processed)*
*^ WV	March 1, 2001 *(date received)*

Check with your financial aid administrator for these states: AK, AL, *AS, *CT, CO, *FM, GA, *GU, ID, *MH, *MP, MS, *NE, *NM, *NV, *PW, *SD, *TX, UT, *VA, *VI, *VT, WA, WI, and *WY.

^ *Applicants encouraged to obtain proof of mailing.*

* *Additional form may be required*

STATE AID DEADLINES

Notes for questions 13–14 (page 3)

If you are an eligible noncitizen, write in your eight or nine digit Alien Registration Number. Generally, you are an eligible noncitizen if you are: (1) a U.S. permanent resident and you have an Alien Registration Receipt Card (I-551); (2) a conditional permanent resident (I-551C); or (3) an other eligible noncitizen with an Arrival-Departure Record (I-94) from the U.S. Immigration and Naturalization Service showing any one of the following designations: "Refugee," "Asylum Granted," "Indefinite Parole," "Humanitarian Parole," or "Cuban-Haitian Entrant." If you are in the U.S. on only an F1 or F2 student visa, or only a J1 or J2 exchange visitor visa, or a G series visa (pertaining to international organizations), you must fill in oval **c**. If you are neither a citizen nor eligible noncitizen, you are not eligible for federal student aid. However, you may be eligible for state or college aid.

Notes for questions 17–21 (page 3)

For undergraduates, full time generally means taking at least 12 credit hours in a term or 24 clock hours per week. 3/4 time generally means taking at least 9 credit hours in a term or 18 clock hours per week. Half time generally means taking at least 6 credit hours in a term or 12 clock hours per week. Provide this information about the college you plan to attend.

Notes for question 29 (page 3) — Enter the correct number in the box in question 29.

Enter **1** for 1st bachelor's degree
Enter **2** for 2nd bachelor's degree
Enter **3** for associate degree (occupational or technical program)
Enter **4** for associate degree (general education or transfer program)
Enter **5** for certificate or diploma for completing an occupational, technical, or educational program of less than two years
Enter **6** for certificate or diploma for completing an occupational, technical, or educational program of at least two years
Enter **7** for teaching credential program (nondegree program)
Enter **8** for graduate or professional degree
Enter **9** for other/undecided

Notes for question 30 (page 3) — Enter the correct number in the box in question 30.

Enter **0** for 1st year undergraduate/never attended college
Enter **1** for 1st year undergraduate/attended college before
Enter **2** for 2nd year undergraduate/sophomore
Enter **3** for 3rd year undergraduate/junior
Enter **4** for 4th year undergraduate/senior
Enter **5** for 5th year/other undergraduate
Enter **6** for 1st year graduate/professional
Enter **7** for continuing graduate/professional or beyond

Notes for questions 37 c. and d. (page 4) and 71 c. and d. (page 5)

If you filed or will file a foreign tax return, or a tax return with Puerto Rico, Guam, American Samoa, the Virgin Islands, the Marshall Islands, the Federated States of Micronesia, or Palau, use the information from that return to fill out this form. If you filed a foreign return, convert all figures to U.S. dollars, using the exchange rate that is in effect today.

Notes for questions 38 (page 4) and 72 (page 5)

In general, a person is eligible to file a 1040A or 1040EZ if he or she makes less than $50,000, does not itemize deductions, does not receive income from his or her own business or farm, and does not receive alimony. A person is not eligible if he or she itemizes deductions, receives self-employment income or alimony, or is required to file Schedule D for capital gains.

Notes for questions 41 (page 4) and 75 (page 5) — only for people who filed a 1040EZ or Telefile

On the 1040EZ, if a person answered "Yes" on line 5, use EZ worksheet line F to determine the number of exemptions ($2,800 equals one exemption). If a person answered "No" on line 5, enter 01 if he or she is single, or 02 if he or she is married.

On the Telefile, use line J to determine the number of exemptions ($2,800 equals one exemption).

Notes for questions 47–48 (page 4) and 81–82 (page 5)

Net worth means current value minus debt. If net worth is one million or more, enter $999,999. If net worth is negative, enter 0.

Investments include real estate (do not include the home you live in), trust funds, money market funds, mutual funds, certificates of deposit, stocks, stock options, bonds, other securities, education IRAs, installment and land sale contracts (including mortgages held), commodities, etc. Investment value includes the market value of these investments as of today. Investment debt means only those debts that are related to the investments.

Investments do not include the home you live in, cash, savings, checking accounts, the value of life insurance and retirement plans (pension funds, annuities, noneducation IRAs, Keogh plans, etc.), or the value of prepaid tuition plans.

Business and/or investment farm value includes the market value of land, buildings, machinery, equipment, inventory, etc. Business and/or investment farm debt means only those debts for which the business or investment farm was used as collateral.

Notes for question 58 (page 4)

Answer **"No"** (you are not a veteran) if you (1) have never engaged in active duty in the U.S. Armed Forces, (2) are currently an ROTC student or a cadet or midshipman at a service academy, or (3) are a National Guard or Reserves enlistee activated only for training. Also answer "No" if you are currently serving in the U.S. Armed Forces and will continue to serve through June 30, 2002.

Answer **"Yes"** (you are a veteran) if you (1) have engaged in active duty in the U.S. Armed Forces (Army, Navy, Air Force, Marines, or Coast Guard) or as a member of the National Guard or Reserves who was called to active duty for purposes other than training, or were a cadet or midshipman at one of the service academies, **and** (2) were released under a condition other than dishonorable. Also answer "Yes" if you are not a veteran now but will be one by June 30, 2002.

2001-2002 FAFSA

Free Application for Federal Student Aid
For July 1, 2001 — June 30, 2002

OMB # 1845-0001

Step One: For questions 1-34, leave blank any questions that do not apply to you (the student).

1-3. Your full name (as it appears on your Social Security Card)

1. LAST NAME: FOR INFORMATION ONLY
2. FIRST NAME: DO NOT SUBMIT
3. MIDDLE INITIAL

4-7. Your permanent mailing address

4. NUMBER AND STREET (INCLUDE APT. NUMBER)
5. CITY (AND COUNTRY IF NOT U.S.)
6. STATE
7. ZIP CODE

8. Your Social Security Number: XXX - XX - XXXX

9. Your date of birth: / / 19

10. Your permanent telephone number: ( ) -

11-12. Your driver's license number and state (if any)

11. LICENSE NUMBER
12. STATE

13. Are you a U.S. citizen? Pick one. **See Page 2.**

a. Yes, I am a U.S. citizen. ○ 1
b. No, but I am an eligible noncitizen. **Fill in question 14.** ○ 2
c. No, I am not a citizen or eligible noncitizen. ○ 3

14. ALIEN REGISTRATION NUMBER: A

15. What is your marital status as of today?

I am single, divorced, or widowed. ○ 1
I am married/remarried. ○ 2
I am separated. ○ 3

16. Month and year you were married, separated, divorced, or widowed: MONTH / YEAR

For each question (17 - 21), please mark whether you will be full time, 3/4 time, half time, less than half time, or not attending. **See page 2.**

17. Summer 2001	Full time/Not sure ○ 1	3/4 time ○ 2	Half time ○ 3	Less than half time ○ 4	Not attending ○ 5
18. Fall 2001	Full time/Not sure ○ 1	3/4 time ○ 2	Half time ○ 3	Less than half time ○ 4	Not attending ○ 5
19. Winter 2001-2002	Full time/Not sure ○ 1	3/4 time ○ 2	Half time ○ 3	Less than half time ○ 4	Not attending ○ 5
20. Spring 2002	Full time/Not sure ○ 1	3/4 time ○ 2	Half time ○ 3	Less than half time ○ 4	Not attending ○ 5
21. Summer 2002	Full time/Not sure ○ 1	3/4 time ○ 2	Half time ○ 3	Less than half time ○ 4	Not attending ○ 5

22. Highest school your father completed	Middle school/Jr. High ○ 1	High school ○ 2	College or beyond ○ 3	Other/unknown ○ 4
23. Highest school your mother completed	Middle school/Jr. High ○ 1	High school ○ 2	College or beyond ○ 3	Other/unknown ○ 4

24. What is your state of legal residence? STATE

25. Did you become a legal resident of this state before January 1, 1996? Yes ○ 1 No ○ 2

26. If the answer to question 25 is **"No,"** give month and year you became a legal resident. MONTH / YEAR

27. Are you male? (Most male students must register with Selective Service to get federal aid.) Yes ○ 1 No ○ 2

28. If you are male (age 18-25) and not registered, do you want Selective Service to register you? Yes ○ 1 No ○ 2

29. What degree or certificate will you be working on during 2001-2002? **See page 2** and enter the correct number in the box.

30. What will be your grade level when you begin the 2001-2002 school year? **See page 2** and enter the correct number in the box.

31. Will you have a high school diploma or GED before you enroll? Yes ○ 1 No ○ 2

32. Will you have your first bachelor's degree before July 1, 2001? Yes ○ 1 No ○ 2

33. In addition to grants, are you interested in student loans (which you must pay back)? Yes ○ 1 No ○ 2

34. In addition to grants, are you interested in "work-study" (which you earn through work)? Yes ○ 1 No ○ 2

35. Do not leave this question blank. Have you ever been convicted of possessing or selling illegal drugs? If you have, answer "Yes," complete and submit this application, and we will send you a worksheet in the mail for you to determine if your conviction affects your eligibility for aid.

No ○ 1
Yes ○ 3

DO NOT LEAVE QUESTION 35 BLANK

For Help – (800) 433-3243

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Step Two: For questions 36-49, report your (the student's) income and assets. If you are married, report your spouse's income and assets, even if you were not married in 2000. Ignore references to "spouse" if you are currently single, separated, divorced, or widowed.

36. For 2000, have you (the student) completed your IRS income tax return or another tax return listed in **question 37**?

a. I have already completed my return. ○ 1 **b.** I will file, but I have not yet completed my return. ○ 2 **c.** I'm not going to file. **(Skip to question 42.)** ○ 3

37. What income tax return did you file or will you file for 2000?

a. IRS 1040 ..... ○ 1
b. IRS 1040A, 1040EZ, 1040Telefile ..... ○ 2
c. A foreign tax return. **See Page 2.** ..... ○ 3
d. A tax return for Puerto Rico, Guam, American Samoa, the Virgin Islands, the Marshall Islands, the Federated States of Micronesia, or Palau. **See Page 2.** ..... ○ 4

38. If you have filed or will file a 1040, were you eligible to file a 1040A or 1040EZ? **See page 2.** Yes ○ 1 No ○ 2 Don't Know ○ 3

For questions 39-51, if the answer is zero or the question does not apply to you, enter 0.

39. What was your (and spouse's) adjusted gross income for 2000? Adjusted gross income is on IRS Form 1040–line 33; 1040A–line 19; 1040EZ–line 4; or Telefile–line I. $,

40. Enter the total amount of your (and spouse's) income tax for 2000. Income tax amount is on IRS Form 1040–line 51; 1040A–line 33; 1040EZ–line 10; or Telefile–line K. $,

41. Enter your (and spouse's) exemptions for 2000. Exemptions are on IRS Form 1040–line 6d or on Form 1040A–line 6d. For Form 1040EZ or Telefile, **see page 2.**

42-43. How much did you (and spouse) earn from working in 2000? Answer this question whether or not you filed a tax return. This information may be on your W-2 forms, or on IRS Form 1040–lines 7 + 12 + 18; 1040A–line 7; or 1040EZ–line 1. Telefilers should use their W-2's.

You (42) $,
Your Spouse (43) $,

Student (and Spouse) Worksheets (44-46)

44-46. Go to Page 8 and complete the columns on the left of Worksheets A, B, and C. Enter the student (and spouse) totals in questions 44, 45, and 46, respectively. Even though you may have few of the Worksheet items, check each line carefully.

Worksheet A (44) $,
Worksheet B (45) $,
Worksheet C (46) $,

47. As of today, what is the net worth of your (and spouse's) current **investments**? **See page 2.** $,

48. As of today, what is the net worth of your (and spouse's) current **businesses and/or investment farms**? **See page 2.** Do not include a farm that you live on and operate. $,

49. As of today, what is your (and spouse's) total current balance of cash, savings, and checking accounts? $,

50-51. If you receive veterans education benefits, for **how many months** from July 1, 2001 through June 30, 2002 will you receive these benefits, and **what amount** will you receive per month? Do not include your spouse's veterans education benefits.

Months (50)
Amount (51) $

Step Three: Answer all seven questions in this step.

52. Were you born before January 1, 1978? ..... Yes ○ 1 No ○ 2

53. Will you be working on a master's or doctorate program (such as an MA, MBA, MD, JD, or Ph.D., etc.) during the school year 2001-2002? ..... Yes ○ 1 No ○ 2

54. As of today, are you married? (Answer "Yes" if you are separated but not divorced.) ..... Yes ○ 1 No ○ 2

55. Do you have children who receive more than half of their support from you? ..... Yes ○ 1 No ○ 2

56. Do you have dependents (other than your children or spouse) who live with you and who receive more than half of their support from you, now and through June 30, 2002? ..... Yes ○ 1 No ○ 2

57. Are you an orphan or ward of the court or were you a ward of the court until age 18? ..... Yes ○ 1 No ○ 2

58. Are you a veteran of the U.S. Armed Forces? **See page 2.** ..... Yes ○ 1 No ○ 2

If you (the student) answer "No" to every question in Step Three, go to Step Four.
If you answer "Yes" to any question in Step Three, skip Step Four and go to Step Five.

(If you are a graduate health profession student, your school may require you to complete Step Four even if you answered "Yes" in Step Three.)

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Step Four: Complete this step if you (the student) answered "No" to all questions in Step Three.

59. Go to page 7 to determine who is considered a parent for this step. What is your parents' marital status as of today?

(Pick one.) Married/Remarried 1 Single 2 Divorced/Separated 3 Widowed 4

60-63. What are your parents' Social Security Numbers and last names?
If your parent does not have a Social Security Number, enter 000-00-0000

60. FATHER'S/STEPFATHER'S SOCIAL SECURITY NUMBER ___ - ___ - ____

61. FATHER'S/STEPFATHER'S LAST NAME

62. MOTHER'S/STEPMOTHER'S SOCIAL SECURITY NUMBER ___ - ___ - ____

63. MOTHER'S/STEPMOTHER'S LAST NAME

64. Go to page 7 to determine how many people are in your parents' household. ____

65. Go to page 7 to determine how many in question 64 **(exclude your parents)** will be college students between July 1, 2001 and June 30, 2002. ____

66. What is your parents' state of legal residence? STATE

67. Did your parents become legal residents of the state in question 66 before January 1, 1996? Yes 1 No 2

68. If the answer to question 67 is "No," give the month and year legal residency began for the parent who has lived in the state the longest. MONTH / YEAR

69. What is the age of your older parent?

70. For 2000, have your parents completed their IRS income tax return or another tax return listed in **question 71**?

a. My parents have already completed their return.
b. My parents will file, but they have not yet completed their return.
c. My parents are not going to file. **(Skip to question 76.)**

71. What income tax return did your parents file or will they file for 2000?

a. IRS 1040
b. IRS 1040A, 1040EZ, 1040Telefile
c. A foreign tax return. **See Page 2**
d. A tax return for Puerto Rico, Guam, American Samoa, the Virgin Islands, the Marshall Islands, the Federated States of Micronesia, or Palau. **See Page 2**

72. If your parents have filed or will file a 1040, were they eligible to file a 1040A or 1040EZ? **See page 2.** Yes 1 No 2 Don't Know 3

For questions 73 - 83, if the answer is zero or the question does not apply, enter 0.

73. What was your parents' adjusted gross income for 2000? Adjusted gross income is on IRS Form 1040–line 33; 1040A–line 19; 1040EZ–line 4; or Telefile–line 1. $,

74. Enter the total amount of your parents' income tax for 2000. Income tax amount is on IRS Form 1040–line 51; 1040A–line 33; 1040EZ–line 10; or Telefile–line K. $,

75. Enter your parents' exemptions for 2000. Exemptions are on IRS Form 1040–line 6d or on Form 1040A–line 6d. For Form 1040EZ or Telefile, **see page 2.**

76-77. How much did your parents earn from working in 2000? Answer this question whether or not your parents filed a tax return. This information may be on their W-2 forms, or on IRS Form 1040–lines 7 + 12 + 18; 1040A–line 7; or 1040EZ–line 1. Telefilers should use their W-2's.

Father/Stepfather (76) $,

Mother/Stepmother (77) $,

Parent Worksheets (78-80)

78-80. Go to Page 8 and complete the columns on the right of Worksheets A, B, and C. Enter the parent totals in questions 78, 79, and 80, respectively. Even though your parents may have few of the Worksheet items, check each line carefully.

Worksheet A (78) $,

Worksheet B (79) $,

Worksheet C (80) $,

81. As of today, what is the net worth of your parents' current **investments**? **See page 2.** $,

82. As of today, what is the net worth of your parents' current **businesses and/or investment farms**? **See page 2.** Do not include a farm that your parents live on and operate. $,

83. As of today, what is your parents' total current balance of cash, savings, and checking accounts? $,

Now go to Step Six.

Step Five: Complete this step only if you (the student) answered "Yes" to any question in Step Three.

84. **Go to page 7** to determine how many people are in your (and your spouse's) household.

85. **Go to page 7** to determine how many in question 84 will be college students between July 1, 2001 and June 30, 2002.

Step Six: Please tell us which schools should receive your information.

For each school (up to six), please provide the federal school code and your housing plans. Look for the federal school codes on the Internet at **www.fafsa.ed.gov**, at your college financial aid office, at your public library, or by asking your high school guidance counselor. If you cannot get the federal school code, write in the complete name, address, city, and state of the college.

86. 1ST FEDERAL SCHOOL CODE OR	NAME OF COLLEGE ADDRESS AND CITY	STATE	HOUSING PLANS 87. on campus 1 off campus 2 with parent 3
88. 2ND FEDERAL SCHOOL CODE OR	NAME OF COLLEGE ADDRESS AND CITY	STATE	89. on campus 1 off campus 2 with parent 3
90. 3RD FEDERAL SCHOOL CODE OR	NAME OF COLLEGE ADDRESS AND CITY	STATE	91. on campus 1 off campus 2 with parent 3
92. 4TH FEDERAL SCHOOL CODE OR	NAME OF COLLEGE ADDRESS AND CITY	STATE	93. on campus 1 off campus 2 with parent 3
94. 5TH FEDERAL SCHOOL CODE OR	NAME OF COLLEGE ADDRESS AND CITY	STATE	95. on campus 1 off campus 2 with parent 3
96. 6TH FEDERAL SCHOOL CODE OR	NAME OF COLLEGE ADDRESS AND CITY	STATE	97. on campus 1 off campus 2 with parent 3

Step Seven: Please read, sign, and date.

By signing this application, you agree, if asked, to provide information that will verify the accuracy of your completed form. This information may include your U.S. or state income tax forms. Also, you certify that you (1) will use federal and/or state student financial aid only to pay the cost of attending an institution of higher education, (2) are not in default on a federal student loan or have made satisfactory arrangements to repay it, (3) do not owe money back on a federal student grant or have made satisfactory arrangements to repay it, (4) will notify your school if you default on a federal student loan, and (5) understand that **the Secretary of Education has the authority to verify information reported on this application with the Internal Revenue Service.** If you purposely give false or misleading information, you may be fined $10,000, sent to prison, or both.

98. Date this form was completed.

MONTH / DAY / 2001 or 2002

99. Student signature (Sign in box)

Parent signature (one parent whose information is provided in Step Four) (Sign in box)

If this form was filled out by someone other than you, your spouse, or your parent(s), that person must complete this part.

Preparer's name, firm, and address

100. Preparer's Social Security Number (or 101)

101. Employer ID number (or 100)

102. Preparer's signature and date

SCHOOL USE ONLY: Federal School Code

D/O

FAA SIGNATURE

MDE USE ONLY:
Special Handle

Notes for questions 59–83 (page 5) Step Four: Who is considered a parent in this step?

Read these notes to determine who is considered a parent for purposes of this form. **Answer all questions in Step Four about them**, even if you do not live with them.

If your parents are both living and married to each other, answer the questions about them.

If your parent is widowed or single, answer the questions about that parent. If your widowed parent has remarried as of today, answer the questions about that parent **and** the person whom your parent married (your stepparent).

If your parents have divorced or separated, answer the questions about the parent you lived with more during the past 12 months. (If you did not live with one parent more than the other, give answers about the parent who provided more financial support during the last 12 months, or during the most recent year that you actually received support from a parent.) If this parent has remarried as of today, answer the questions on the rest of this form about that parent **and** the person whom your parent married (your stepparent).

Notes for question 64 (page 5)

Include in your parents' household (see notes, above, for who is considered a parent):

- your parents and yourself, even if you don't live with your parents, and
- your parents' other children if (a) your parents will provide more than half of their support from July 1, 2001 through June 30, 2002 or (b) the children could answer "No" to every question in Step Three, and
- other people if they now live with your parents, your parents provide more than half of their support, and your parents will continue to provide more than half of their support from July 1, 2001 through June 30, 2002.

Notes for questions 65 (page 5) and 85 (page 6)

Always count yourself as a college student. **Do not include your parents.** Include others only if they will attend at least half time in 2001-2002 a program that leads to a college degree or certificate.

Notes for question 84 (page 6)

Include in your (and your spouse's) household:

- yourself (and your spouse, if you have one), and
- your children, if you will provide more than half of their support from July 1, 2001 through June 30, 2002, and
- other people if they now live with you, and you provide more than half of their support, and you will continue to provide more than half of their support from July 1, 2001 through June 30, 2002.

Information on the Privacy Act and use of your Social Security Number

We use the information that you provide on this form to determine if you are eligible to receive federal student financial aid and the amount that you are eligible to receive. Section 483 of the Higher Education Act of 1965, as amended, gives us the authority to ask you and your parents these questions, and to collect the Social Security Numbers of you and your parents.

State and institutional student financial aid programs may also use the information that you provide on this form to determine if you are eligible to receive state and institutional aid and the need that you have for such aid. Therefore, we will disclose the information that you provide on this form to each institution you list in questions 86–97, state agencies in your state of legal residence, and the state agencies of the states in which the colleges that you list in questions 86–97 are located.

If you are applying solely for federal aid, you must answer all of the following questions that apply to you: 1–9, 13–15, 24, 27–28, 31–32, 35, 36–40, 42–49, 52–66, 69–74, 76-85, and 98–99. If you do not answer these questions, you will not receive federal aid.

Without your consent, we may disclose information that you provide to entities under a published "routine use." Under such a routine use, we may disclose information to third parties that we have authorized to assist us in administering the above programs; to other federal agencies under computer matching programs, such as those with the Internal Revenue Service, Social Security Administration, Selective Service System, Immigration and Naturalization Service, and Veterans Administration; to your parents or spouse; and to members of Congress if you ask them to help you with student aid questions.

If the federal government, the U.S. Department of Education, or an employee of the U.S. Department of Education is involved in litigation, we may send information to the Department of Justice, or a court or adjudicative body, if the disclosure is related to financial aid and certain conditions are met. In addition, we may send your information to a foreign, federal, state, or local enforcement agency if the information that you submitted indicates a violation or potential violation of law, for which that agency has jurisdiction for investigation or prosecution. Finally, we may send information regarding a claim that is determined to be valid and overdue to a consumer reporting agency. This information includes identifiers from the record; the amount, status, and history of the claim; and the program under which the claim arose.

State Certification

By submitting this application, you are giving your state financial aid agency permission to verify any statement on this form and to obtain income tax information for all persons required to report income on this form.

The Paperwork Reduction Act of 1995

The Paperwork Reduction Act of 1995 says that no one is required to respond to a collection of information unless it displays a valid OMB control number, which for this form is 1845-0001. The time required to complete this form is estimated to be one hour, including time to review instructions, search data resources, gather the data needed, and complete and review the information collection. If you have comments about this estimate or suggestions for improving this form, please write to: U.S. Department of Education, Washington DC 20202-4651.

We may request additional information from you to ensure efficient application processing operations. We will collect this additional information only as needed and on a voluntary basis.

Worksheets

Do not mail these worksheets in with your application.
Keep these worksheets; your school may ask to see them.

Worksheet A

Calendar Year 2000

For question 44 Student/Spouse		For question 78 Parent(s)
$	Earned income credit from IRS Form 1040–line 60a; 1040A–line 38a; 1040EZ–line 8a; or Telefile–line L	$
$	Additional child tax credit from IRS Form 1040–line 62 or 1040A–line 39	$
$	Welfare benefits, including Temporary Assistance for Needy Families (TANF). Don't include food stamps.	$
$	Social Security benefits received that were not taxed (such as SSI)	$
$ — Enter in question 44.		Enter in question 78. — $

Worksheet B

Calendar Year 2000

For question 45 Student/Spouse		For question 79 Parent(s)
$	Payments to tax-deferred pension and savings plans (paid directly or withheld from earnings), including amounts reported on the W-2 Form in Box 13, codes D, E, F, G, H, and S	$
$	IRA deductions and payments to self-employed SEP, SIMPLE, and Keogh and other qualified plans from IRS Form 1040–total of lines 23 + 29 or 1040A–line 16	$
$	Child support **received** for all children. Don't include foster care or adoption payments.	$
$	Tax exempt interest income from IRS Form 1040–line 8b or 1040A–line 8b	$
$	Foreign income exclusion from IRS Form 2555–line 43 or 2555EZ–line 18	$
$	Untaxed portions of pensions from IRS Form 1040–lines (15a minus 15b) + (16a minus 16b) or 1040A–lines (11a minus 11b) + (12a minus 12b) excluding rollovers	$
$	Credit for federal tax on special fuels from IRS Form 4136–line 9 – nonfarmers only	$
$	Housing, food, and other living allowances paid to members of the military, clergy, and others (including cash payments and cash value of benefits)	$
$	Veterans noneducation benefits such as Disability, Death Pension, or Dependency & Indemnity Compensation (DIC) and/or VA Educational Work-Study allowances	$
$	Any other untaxed income or benefits not reported elsewhere on Worksheets A and B, such as worker's compensation, untaxed portions of railroad retirement benefits, Black Lung Benefits, Refugee Assistance, etc. **Don't include** student aid, Workforce Investment Act educational benefits, or benefits from flexible spending arrangements, e.g., cafeteria plans.	$
$	Cash **received**, or any money paid on your behalf, not reported elsewhere on this form	XXXXXXXX
$ — Enter in question 45.		Enter in question 79. — $

Worksheet C

Calendar Year 2000

For question 46 Student/Spouse		For question 80 Parent(s)
$	Education credits (Hope and Lifetime Learning tax credits) from IRS Form 1040-line 46 or 1040A-line 29	$
$	Child support **paid** because of divorce or separation. Do not include support for children in your (or your parents') household, as reported in question 84 (or question 64 for your parents).	$
$	Taxable earnings from Federal Work-Study or other need-based work programs	$
$	Student grant, scholarship, and fellowship aid, including AmeriCorps awards, that was reported to the IRS in your (or your parents') adjusted gross income	$
$ — Enter in question 46.		Enter in question 80. — $

What Does Your School Want You To Know?

We asked financial aid advisors from around the country what they would tell students filling out their FAFSAs. Here's what they said:

Read the form!

Many questions on the FAFSA are straightforward, like your Social Security Number or your date of birth. But many require you to read the instructions to make sure you answer the question correctly. Words like "household," "investments," and even "parent" all have common meanings, but are specifically defined for purposes of student financial aid. So be sure to read the instructions.

Apply early

Deadlines for aid from your state, from your school, and from private sources tend to be much earlier than deadlines for federal aid. To make sure that any financial aid package your school offers you will contain aid from as many sources as possible, apply as soon as you can after January 1, 2001.

The U.S. Department of Education will process your 2001-2002 FAFSA right up until July 1, 2002. However, to actually receive aid, your school must have your correct, complete information before your last day of enrollment in the 2001-2002 school year. So it is important to apply early to make sure you leave enough time for your school to receive your information and to make any necessary corrections.

You don't need to file your tax return before you submit your FAFSA

Filling out your tax return first will make completing the FAFSA easier. However, you do not need to submit your tax return to the IRS before you submit your FAFSA.

You can file your FAFSA electronically

You can fill out and submit a FAFSA over the Internet. This is the fastest way to apply for financial aid. Also, your information is edited before you submit it, so, if you made any errors or left out any information, we can call this to your attention before you submit your information. This reduces the chance that your data will be rejected for some reason and makes it less likely that you will have to correct your information later. To submit your application using FAFSA on the Web, go to **www.fafsa.ed.gov**

There may be additional forms

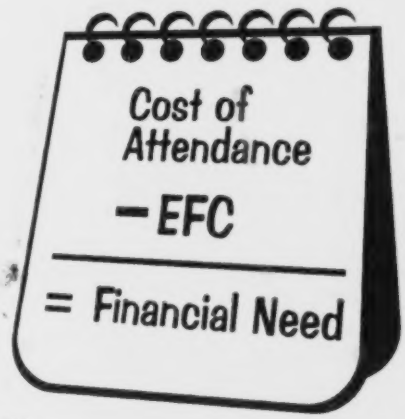
The FAFSA is the one application for federal student aid. Many schools and states rely solely upon this information. However, your school or state may require you to fill out additional forms. These additional forms may have deadlines that are earlier than the federal student aid deadlines, so be sure to check with the financial aid office at the school you plan to attend.

DRAFT

What is the FAFSA?

This form, the *Free Application for Federal Student Aid*, or **FAFSA**, is used to apply for federal student financial aid, including grants, loans, and work-study. In addition, it is used by most states and schools to award non-federal student financial aid.

How does it work?



Completing the FAFSA is the first step in the financial aid process. Once you submit it, we process your information. Then we send an electronic copy of your information to all of the schools you list in Step Six. We mail a paper report, called a *Student Aid Report*, or **SAR**, to you. It is important to review your SAR when you receive it to make sure all of your information is correct and to provide any necessary corrections or additional information.

We enter your information into a formula from the Higher Education Act of 1965, as amended, and the result is your Expected Family Contribution, or **EFC**. This represents the amount your family is expected to contribute towards the cost of your education (although this amount may not exactly match the amount you and your family end up contributing). If your information is complete, your SAR will contain your EFC.

The schools you list in Step Six receive your EFC along with the rest of your information. They use the EFC to prepare a financial aid package to help you meet your financial need. **Financial need** is the difference between your EFC and your school's **cost of attendance** (which can include living expenses), as determined by the school. If you believe that you have special circumstances that should be taken into account, such as unusual medical or dental expenses or a significant change in income from one year to the next, contact the financial aid office at the schools to which you are applying.

Any financial aid you are eligible to receive will be paid to you through your school. Typically, your school will first use the aid to pay tuition, fees, and room and board (if provided by the school). Any remaining aid is paid to you for your other expenses.

Where can I get more information?

The best place for information about student financial aid is the financial aid office at the school you plan to attend. The financial aid administrator can tell you about student aid available from your state, the school itself, and other sources.

The Internet is an incredible resource for financial aid information. Many schools have information about financial aid on their websites. You can also get free information from the U.S. Department of Education's website at **www.ed.gov/studentaid**, including access to free publications such as *Funding Your Education* and *The Student Guide*, or from **www.students.gov**

You can call our Federal Student Aid Information Center for information at 1-800-4FED-AID (1-800-433-3243) seven days a week, from 8:00 a.m. through midnight Eastern time.

You can also find free information about federal, state, institutional, and private student aid in your high school counselor's office or local library's reference section (usually listed under "student aid" or "financial aid"). There may be information available from foundations, religious organizations, community organizations, and civic groups, as well as organizations related to your field of interest, such as the American Medical Association or American Bar Association. Check with you parents' employers or unions to see if they award scholarships or have tuition payment plans.

*Filling out the FAFSA, and applying for student financial aid is **free**. You should be wary of mailings or websites that offer to submit your application for you, or to find you money for school if you pay them a fee. Some of them are legitimate, and some are scams. But generally any information or service you pay for can be had for free from your school or from the U.S. Department of Education.*

Appendix A

SOURCES OF ADDITIONAL INFORMATION

For information on any federal student financial aid program discussed in this handbook, you or your students may call the Federal Student Aid Information Center (FSAIC):

1-800-4-FED-AID (1-800-433-3243)—a toll-free number

TTY: 1-800-730-8913—a toll-free number for the hearing impaired

8 a.m. to midnight (eastern time) daily

The FSAIC provides the following services:

- helping complete the *Free Application for Federal Student Aid* (FAFSA).
- explaining the *Student Aid Report* (SAR) produced from the FAFSA and how to make corrections.
- checking on the processing status of the FAFSA.
- requesting a duplicate SAR.
- changing the student's address or the schools that receive the student's information.
- checking on whether a school participates in federal student aid programs.
- explaining who is eligible for federal student aid.
- explaining how federal student aid is awarded and paid.
- explaining the "verification" process, and
- mailing requested publications.

The FSAIC is NOT able to:

- make policy.
- expedite the federal student aid application process.
- discuss a student's federal student aid file with an unauthorized person, or
- influence an individual school's financial aid policies.

A high school student's best initial sources of information on federal student aid are *Funding Your Education* (see the annotated listing that follows), the notes in the FAFSA, high school counselors, and postsecondary school financial aid administrators.

Web sites

If you or your students have access to the Internet, you can consult the U.S. Department of Education's (ED's) web site. This site provides general information about ED and federal student financial aid, as well as access to some of ED's publications.

- The main site address for information about ED's financial aid programs and publications is

http://www.ed.gov/studentaid

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- The current version of *Funding Your Education* is available at

  http://www.ed.gov/prog_info/SFA/FYE

- Federal school codes (to be entered on the FAFSA) can be found at

  http://www.fafsa.ed.gov

- The current version of the *Student Guide* is available through the main address and

  http://www.ed.gov/prog_info/SFA/StudentGuide

- The Think College web site—A web site designed to provide publications and information on postsecondary opportunities for people of all ages. It contains links to *Think College Early* (middle school students), *High School and Beyond* (high school students), and *Returning to School* (adults). It can be accessed at

  http://www.ed.gov/thinkcollege

- College Opportunities On-Line (COOL), a site linking to over 9,000 colleges and universities, allows the student to search for a school by name, location, program, degree offerings, or a combination of criteria. It is at

  http://www.nces.ed.gov/ipeds/cool

***Note:** A list of selected web sites dealing with student financial aid is available as an easy-to-photocopy handout for students in Appendix C.*

Free publications from the FSAIC

Individual copies of the following publications are available from

Federal Student Aid Information Center
P.O. Box 84
Washington, DC 20044
1-800-4-FED-AID (1-800-433-3243)
TTY: 1-800-730-8913

Toll number for inquirers calling from foreign countries: 1-319-337-5665

- *Funding Your Education*—A free booklet, geared toward high school students, giving federal student financial aid application information and describing ED's major financial aid programs. Copies are available in English or Spanish.

- *Looking for Student Aid*—A free guide about using scholarship search services and looking for information about financial aid.

- The *Student Guide*—A free guide providing a comprehensive description of the federal student aid programs and how to apply for them.

- *College is Possible*—A free brochure (in English or Spanish) containing an extensive list of sources of information on preparing for college, choosing the right college, and paying for college published by the Coalition of America's Colleges and Universities. Information also can be accessed at

  http://CollegeIsPossible.org

- *Think College? Me? Now?*—A free handbook for students in middle school and junior high. It explains why students should consider college, how to prepare academically, and how to pay for college. The text is also available at

  http://www.ed.gov/pubs/CollegeMeNow

Other free publications

- *A Call to Commitment: Fathers' Involvement in Children's Learning*—A free document, relevant to fathers, schools, and the community in general. Describes research showing that fathers' involvement results in students' success; suggests ways in which fathers' involvement can be increased. Available on the web site of ED's Partnership for Family Involvement in Education at

  http://pfie.ed.gov

  Also available from

  ED Pubs
  Editorial Publications Center
  U.S. Department of Education
  P.O. Box 1398
  Jessup, MD 20794-1398
  Toll free: 1-877-4-ED-PUBS (1-877-433-7827)
  TTY: 1-800-437-0833
  Fax: 1-301-470-1244
  E-mail: edpubs@inet.ed.gov
  Web site: http//www.ed.gov/pubs/edpubs.html

Low-cost publications

- *Need a Lift?*—This publication contains a survey of educational opportunities, loans, scholarships, and careers. The cost, including shipping, is $3.95. For credit card orders only, call 1-888-453-4466. If paying by check, make the check out to National Emblem Sales and send it to

  The American Legion
  National Emblem Sales
  P.O. Box 1050
  Indianapolis, IN 46206

- *Make it Happen!*—A step-by-step guide to college for students in grades 8 through 10. It can be downloaded for free at **http://www.teri.org** (click on "HEIC" and then on "Download FREE Publications"). Hard copies are available for $1 per copy (multiple copies are discounted but require a shipping charge). If paying by check, make the check out to TERI and send it to

  The Education Resources Institute TERI
  Higher Education Information Center
  Youth Programs Department
  100 Boylston Street
  Lower Level 1
  Boston, MA 02116
  1-617-542-3900, ext. 200

- The National Association for College Admission Counseling (NACAC) has a number of useful publications. Some of the publications are:

  - *Guide for Parents/Guía para los Padres*, a brochure for parents of middle school students that addresses college admission and financial aid. Available in English or Spanish. Single copies are free. Contact NACAC for other pricing.

  - *Guide to the College Admission Process*, a booklet that details every step of the admission process for high school students. $4 for a single copy for members; $6 for nonmembers. Contact NACAC for other pricing.

  - *Parents and Counselors Together* (PACT) is designed especially for first-generation college students and to be used in parent workshops. A free copy can be downloaded from NACAC's web site (see below). Hard copies: $12 members; $15 nonmembers.

  Quantity discounts are available.

  To order any of NACAC's publications, call 1-800-822-6285 (Monday-Friday, 8:30 a.m. to 4:30 p.m., eastern time) or write to

  NACAC Publications/Media
  P.O. Box 18214
  Merrifield, VA 22118-0214
  Web site: http://www.nacac.com

Appendix B

DIRECTORY OF STATE AGENCIES

Listed below for each state are the agencies responsible for administering the Leveraging Educational Assistance Partnership (LEAP) Program, formerly the State Student Incentive Grant (SSIG) Program, and the Robert C. Byrd Honors Scholarship Program in that state.

There are links to state education agencies' web sites from **http://easi.ed.gov/studentcenter** (click on "Apply").

ALABAMA

LEAP Program:
Alabama Commission on Higher Education
Grants and Scholarships Department
P.O. Box 302000
Montgomery, Alabama 36130-2000
TEL: (334) 242-2276

Byrd Program:
State Department of Education
Gordon Persons Office Building
P.O. Box 302101
Montgomery, Alabama 36130-2101
TEL: (334) 242-8059

ALASKA

LEAP Program:
Does not participate

Byrd Program:
Alaska Department of Education and Early Development
801 West 10th Street, Suite 200
Juneau, Alaska 99801-1894
TEL: (907) 465-8728

ARIZONA

LEAP Program:
Arizona Commission for Postsecondary Education
2020 North Central Avenue, Suite 275
Phoenix, Arizona 85004-4503
TEL: (602) 229-2592

Byrd Program:
State Department of Education
1535 West Jefferson
Phoenix, Arizona 85007
TEL: (602) 542-7469

ARKANSAS

LEAP Program:
Arkansas Department of Higher Education
114 East Capitol
Little Rock, Arkansas 72201-3818
TEL: (501) 371-2000

Byrd Program:
Arkansas Department of Education
4 State Capitol Mall
Little Rock, Arkansas 72201-1071
TEL: (501) 682-4396

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CALIFORNIA

LEAP Program:
California Student Aid Commission
P.O. Box 419026
Rancho Cordova, California 95741-9026
TEL: (916) 526-7961

Byrd Program:
California Student Aid Commission
P.O. Box 419029
Rancho Cordova, California 95741-9029
TEL: (916) 526-7968

COLORADO

LEAP Program:
Colorado Commission on Higher Education
1300 Broadway, 2nd Floor
Denver, Colorado 80203
TEL: (303) 866-2723

Byrd Program:
Colorado Department of Education
Robert Byrd Scholarships, Rm 206
201 East Colfax Avenue
Denver, Colorado 80203-1705
TEL: (303) 866-6678

CONNECTICUT

LEAP and Byrd Programs:
Connecticut Department of Higher Education
61 Woodland Street
Hartford, Connecticut 06105-2326
TEL: (860) 947-1855

DELAWARE

LEAP and Byrd Programs:
Delaware Higher Education Commission
Carvel State Office Building
820 North French Street
Wilmington, Delaware 19801
TEL: (302) 577-3240

DISTRICT OF COLUMBIA

LEAP Program:
Department of Human Services
Office of Postsecondary Education
Research and Assistance
2100 Martin Luther King, Jr. Avenue, SE, Suite 401
Washington, DC 20020
TEL: (202) 698-2400

Byrd Program:
District of Columbia Public Schools
Student Affairs Branch
825 N. Capitol Street, NE
Washington, DC 20002
TEL: (202) 442-5110

FLORIDA

LEAP and Byrd Programs:
Florida Department of Education
Bureau of Student Financial Assistance
124 Collins Building
325 West Gaines Street
Tallahassee, Florida 32399-0400
TEL: 1-888-827-2004 (toll free)

GEORGIA

LEAP Program:
Does not participate.

Byrd Program:
Georgia Department of Education
1770 Twin Towers East
205 Butler Street
Atlanta, Georgia 30334
TEL: (404) 657-0183

HAWAII

LEAP Program:
Hawaii State Postsecondary Education Commission
2444 Dole Street
Honolulu, Hawaii 96822-2394
TEL: (808) 956-8213

Byrd Program:
Hawaii Department of Education
DLTSS-Student Support Administration Section
Attention: Deanna Helber
641 18th Avenue
Bldg. V, Room 201
Honolulu, Hawaii 96816-4444
TEL: (808) 733-9124

IDAHO

LEAP Program:
Idaho State Board of Education
P.O. Box 83720
Boise, Idaho 83720-0037
TEL: (208) 334-2270

Byrd Program:
Idaho State Department of Education
650 West State Street
Boise, Idaho 83720
TEL: (208) 332-6946

ILLINOIS

LEAP Program:
Illinois Student Assistance Commission
1755 Lake Cook Road
Deerfield, Illinois 60015-5209
TEL: 1-800-899-4722 (toll free)

Byrd Program:
Illinois Student Assistance Commission
1755 Lake Cook Rd
Deerfield, Illinois 60015-5209
TEL: 1-800-899-4722 (toll free from Illinois and surrounding states)
TEL: 1-800-934-3572 (toll free from other areas)

Note: Applications available in November; application deadline is January 15th

INDIANA

LEAP and Byrd Programs:
State Student Assistance Commission of Indiana
150 West Market Street, Suite 500
Indianapolis, Indiana 46204-2811
TEL: (317) 232-2350
TEL: 1-888-528-4719 (toll free from within Indiana)

IOWA

LEAP and Byrd Programs:
Iowa College Student Aid Commission
200 10th Street, 4th Floor
Des Moines, Iowa 50309-3609
TEL: (515) 242-3344 (local)
TEL: 1-800-383-4222 (toll free)

KANSAS

LEAP Program:
Kansas Board of Regents
700 S.W. Harrison, Suite 1410
Topeka, Kansas 66603-3760
TEL: (785) 296-3517

Byrd Program:
Kansas Department of Education
Kansas State Education Building
120 East Tenth Street
Topeka, Kansas 66612-1103
TEL: (785) 296-4950

KENTUCKY

LEAP Program:
Kentucky Higher Education Assistance Authority
1050 U.S. 127 South
Frankfort, Kentucky 40601-4323
TEL: 1-800-928-8926 (toll free)

Byrd Program:
Kentucky Department of Education
500 Mero Street, 19th Floor
Frankfort, Kentucky 40601
TEL: (502) 564-3421

LOUISIANA

LEAP Program:
Louisiana Office of Student Financial Assistance
P.O. Box 91202
Baton Rouge, Louisiana 70821-9202
TEL: 1-800-259-5626 (toll free)

Byrd Program:
Louisiana Department of Education
P.O. Box 94064
626 North 4th Street, 12th Floor
Baton Rouge, Louisiana 70804-9064
TEL: (225) 342-2098

MAINE

LEAP and Byrd Programs:
Finance Authority of Maine
P.O. Box 949
Augusta, Maine 04332-0949
TEL: (207) 623-3263

MARYLAND

LEAP Program:
Maryland Higher Education Commission
State Scholarship Administration
16 Francis Street
Annapolis, Maryland 21401-1781
TEL: (410) 260-4565 (local)
TEL: 1-800-974-1024 (toll free)

Note: Inquirers should specify that they want information about the General State Scholarship, the Tolbert Grant, and the Educational Assistance Grant.

Byrd Program:
Maryland State Department of Education
200 West Baltimore Street
Baltimore, Maryland 21201-2595
TEL: (410) 767-0484

MASSACHUSETTS

LEAP Program:
Massachusetts Office of Student Financial Assistance
330 Stuart Street, Suite 304
Boston, Massachusetts 02116
TEL: (617) 727-9420

Byrd Program:
Massachusetts Department of Education
350 Main Street
Malden, Massachusetts 02148-5023
TEL: (781) 338-6325

MICHIGAN

LEAP and Byrd Programs:
Michigan Higher Education Assistance Authority
Office of Scholarships and Grants
P.O. Box 30462
Lansing, Michigan 48909-7962
TEL: 1-888-447-2687 (toll free)

MINNESOTA

LEAP Program:
Minnesota Higher Education Services Office
1450 Energy Park Drive, Suite 350
St. Paul, Minnesota 55108-5227
TEL: 1-800-657-3866 (toll free)

Byrd Program:
Minnesota Department of Children, Families and Learning
Division of Learner Options
1500 Highway 36 West
Roseville, Minnesota 55113
TEL: (651) 582-8629

MISSISSIPPI

LEAP Program:
Institution of Higher Learning
State Student Financial Aid
3825 Ridgewood Road
Jackson, Mississippi 39211-6453
TEL: (601) 432-6997

Byrd Program:
Mississippi Department of Education
Office of Scholastic Development
P.O. Box 771
Jackson, Mississippi 39205-0771
TEL: (601) 359-4305

MISSOURI

LEAP Program:
Missouri Coordinating Board for Higher Education
3515 Amazonas Drive
Jefferson City, Missouri 65109-5717
TEL: (573) 751-2361

Byrd Program:
Missouri Department of Elementary and Secondary Education
P.O. Box 480
Jefferson City, Missouri 65102
TEL: (573) 751-1668

MONTANA

LEAP Program:
Montana University System
P.O. Box 203101
Helena, Montana 59620-3101
TEL: (406) 444-6594

Byrd Program:
Montana Office of Public Instruction
Attention: Byrd Program
P.O. Box 202501
Helena, Montana 59620-2501
TEL: (406) 444-5663

NEBRASKA

LEAP Program:
Nebraska Coordinating Commission for Postsecondary Education
P.O. Box 95005
Lincoln, Nebraska 68509-5005
TEL: (402) 471-2847

Byrd Program:
Nebraska Department of Education
301 Centennial Mall South, P.O. Box 94987
Lincoln, Nebraska 68509-4987
TEL: (402) 971-2295

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NEVADA

LEAP and Byrd Programs:
Nevada Department of Education
700 East Fifth Street
Carson City, Nevada 89701
TEL: (775) 687-9228

NEW HAMPSHIRE

LEAP Program:
New Hampshire Postsecondary Education Commission
2 Industrial Park Drive
Concord, New Hampshire 03301-8512
TEL: (603) 271-2555

Byrd Program:
New Hampshire Department of Education
State Office Park South
101 Pleasant Street
Concord, New Hampshire 03301
TEL: (603) 271-6051

NEW JERSEY

LEAP Program:
State of New Jersey
Office of Student Assistance
P.O. Box 540
Trenton, New Jersey 08625-0540
TEL: 1-800-792-8670 (toll free)

Byrd Program:
New Jersey Department of Education
100 Riverview Plaza, P.O. Box 500
Trenton, New Jersey 08625-0500
TEL: (609) 984-6314

NEW MEXICO

LEAP Program:
New Mexico Commission on Higher Education
1068 Cerrillos Road
Santa Fe, New Mexico 87501-4295
TEL: (505) 827-7383

Byrd Program:
New Mexico Department of Education
New Mexico Byrd Scholarship Program
300 Don Gaspar
Santa Fe, New Mexico 87501-2786
TEL: (505) 827-6649

NEW YORK

LEAP Program:
New York State Higher Education Services Corporation
99 Washington Avenue
Albany, New York 12255
TEL: 1-518-474-5642

Note: Inquirers should specify that they want information about the Tuition Assistance Program (TAP).

Byrd Program:
New York State Education Department
Scholarship Unit
Rm 1078, EDA
Albany, New York 12230
TEL: (518) 486-1319

NORTH CAROLINA

LEAP Program:
North Carolina State Education Assistance Authority
P.O. Box 14103
Research Triangle Park, North Carolina 27515
TEL: 1-888-234-6400

Byrd Program:
North Carolina Department of Public Instruction
301 North Wilmington Street
Attention: Scholarship Office (Linda Johnson)
Raleigh, North Carolina 27601-1712
TEL: (919) 715-1161

NORTH DAKOTA

LEAP Program:
North Dakota University System
North Dakota Student Financial Assistance Program
600 East Boulevard Avenue, Department 215
Bismarck, North Dakota 58505-0230
TEL: (701) 328-4114

Byrd Program:
North Dakota Department of Public Instruction
600 East Boulevard, 9th Floor
Bismarck, North Dakota 58505-0440
TEL: (701) 328-2098

OHIO

LEAP Program:
Ohio Board of Regents
State Grants and Scholarships
P.O. Box 182452
Columbus, Ohio 43218-2452
TEL: 1-888-833-1133 (toll free)

Byrd Program:
Ohio Department of Education
65 South Front Street, Room 1009
Columbus, Ohio 43215
TEL: (614) 466-2761

OKLAHOMA

LEAP Program:
Oklahoma State Regents for Higher Education
Oklahoma Tuition Aid Grant Program
P.O. Box 3020
Oklahoma City, Oklahoma 73101-3020
TEL: (405) 858-4356

Byrd Program:
State Department of Education
Robert C. Byrd Honors Scholarship
2500 North Lincoln Boulevard
Oklahoma City, Oklahoma 73105-4599
TEL: (405) 521-2808

OREGON

LEAP and Byrd Programs:
Oregon Student Assistance Commission
1500 Valley River Drive, Suite 100
Attention: Grant Programs
Eugene, Oregon 97401
TEL: (541) 687-7395

PENNSYLVANIA

LEAP Program:
Pennsylvania Higher Education Assistance Agency
1200 North 7th Street
Harrisburg, Pennsylvania 17102-1444
TEL: (717) 720-2800 (local)
TEL: 1-800-692-7435 (toll free only within PA)

Byrd Program:
Pennsylvania Department of Education
Division of School Based Improvement
333 Market Street, 8th Floor
Harrisburg, Pennsylvania 17126-0333
TEL: (717) 783-6583

RHODE ISLAND

LEAP Program:
Rhode Island Higher Education Assistance Authority
560 Jefferson Boulevard
Warwick, Rhode Island 02886
TEL: 1-800-922-9855 (toll free)

Byrd Program:
Rhode Island Department of Education
255 Westminster Street
Providence, Rhode Island 02903
TEL: (401) 222-4600, ext. 2194

SOUTH CAROLINA

LEAP Program:
South Carolina Higher Education Tuition Grants Commission
P.O. Box 12159
Columbia, South Carolina 29211
TEL: (803) 734-1200

Byrd Program:
South Carolina Department of Education
1104 Rutledge Building
1429 Senate Street
Columbia, South Carolina 29201
TEL: (803) 734-8357

SOUTH DAKOTA

LEAP Program:
Does not participate

Byrd Program:
Department of Education and Cultural Affairs
Office of the Secretary
700 Governors Drive
Pierre, South Dakota 57501-2291
TEL: (605) 773-5669

TENNESSEE

LEAP and Byrd Programs:
Tennessee Student Assistance Corporation
404 James Robertson Parkway
Parkway Towers, Suite 1950
Nashville, Tennessee 37243-0820
TEL: 1-800-342-1663 (toll free within TN)
TEL: 1-800-257-6526 (toll free from outside TN)

TEXAS

LEAP and Byrd Programs:
Texas Higher Education Coordinating Board
P.O. Box 12788
Austin, Texas 78711-2788
TEL: 1-800-242-3062 (toll free)

UTAH

LEAP Program:
Utah State Board of Regents
Utah System of Higher Education
355 West North Temple
Triad #3, Suite 550
Salt Lake City, Utah 84180-1205
TEL: (801) 321-7200

Byrd Program:
Utah State Office of Education
250 East 500 South
Salt Lake City, Utah 84111
TEL: (801) 538-7779

VERMONT

LEAP and Byrd Programs:
Vermont Student Assistance Corporation
P.O. Box 2000
Winooski, Vermont 05404-2601
TEL: 1-802-655-9602 (local)
TEL: 1-800-642-3177 (toll free)

VIRGINIA

LEAP Program:
State Council of Higher Education for Virginia
James Monroe Building
101 North 14th Street
Richmond, Virginia 23219
TEL: (804) 786-1690

Note: For application information, contact the school the student plans to attend. Ask about the College Scholarship Assistance Program.

Byrd Program:
Virginia Department of Education
P.O. Box 2120
James Monroe Building
14th & Franklin Streets
Richmond, Virginia 23218-2120
TEL: (804) 225-2877

WASHINGTON

LEAP Program:
Washington State Higher Education Coordinating Board
917 Lakeridge Way
P.O. Box 43430
Olympia, Washington 98504-3430
TEL: (360) 753-7850

Byrd Program:
Superintendent of Public Instruction
P.O. Box 47200
Olympia, Washington 98504-7200
TEL: (360) 753-2858

WEST VIRGINIA

LEAP and Byrd Programs:
West Virginia Higher Education Policy Commission
1018 Kanawha Boulevard East, Suite 700
Charleston, West Virginia 25301-2827
TEL: 1-888-825-5707 (toll free)

WISCONSIN

LEAP Program:
Wisconsin Higher Educational Aids Board
P.O. Box 7885
Madison, Wisconsin 53707-7885
TEL: (608) 266-1665

Byrd Program:
State of Wisconsin Department of Public Instruction
125 South Webster Street
P.O. Box 7841
Madison, Wisconsin 53707-7841
TEL: (608) 266-2364

WYOMING

LEAP Program:
Not participating at the time this book was published. For further information, call (307) 777-7763.

Byrd Program:
Wyoming State Department of Education
2300 Capitol Avenue
Hathaway Building, 2nd Floor
Cheyenne, Wyoming 82002-0050
TEL: (307) 777-6265

AMERICAN SAMOA

LEAP and Byrd Programs:
American Samoa Community College
Board of Higher Education
P.O. Box 2609
Pago Pago, American Samoa 96799-2609
TEL: (684) 699-9155*

* To call from the U.S., dial 011 before the country code shown in parentheses.

Appendix B

GUAM

LEAP and Byrd Programs:
University of Guam
303 University Drive
Mangilao, Guam 96923
TEL: (671) 735-2280*

NORTHERN MARIANA ISLANDS

LEAP Program:
Northern Marianas College
P.O. Box 1250
Saipan, MP 96950
TEL: (670) 234-5498, ext. 1422*

Byrd Program:
Commonwealth of the Northern Mariana Islands
State Board of Education
Public School System
P.O. Box 1370 CK
Saipan, MP 96950
TEL: (670) 322-6405*

PUERTO RICO

LEAP Program:
Puerto Rico Council on Higher Education
Box 19900-Fernandez Juncos Station
San Juan, Puerto Rico 00910-1900
TEL: (787) 724-7100

Byrd Program:
Puerto Rico Department of Education
P.O. Box 759
Hato Rey, Puerto Rico 00919
TEL: (787) 758-2200

VIRGIN ISLANDS

LEAP and Byrd Programs:
Virgin Islands Joint Board of Education
P.O. Box 11900, Charlotte Amalie
St. Thomas, Virgin Islands 00801
TEL: (340) 774-0100

REPUBLIC OF THE MARSHALL ISLANDS

LEAP Program:
Does not participate

Byrd Program:
RMI Scholarship Grant and Loan Board
P.O. Box 1436
Majuro, Marshall Islands 96960
TEL: (692) 625-3108*

FEDERATED STATES OF MICRONESIA

LEAP Program:
Does not participate

Byrd Program:
Federated States of Micronesia
1725 N Street, NW
Washington, DC 20036
TEL: (202) 223-4383

REPUBLIC OF PALAU

LEAP Program:
Does not participate

Byrd Program:
Ministry of Education
Bureau of Curriculum & Program Development
P.O. Box 189
Koror, Republic of Palau 96940
TEL: (680) 488-1464*

* To call from the U.S., dial 011 before the country code shown in parentheses

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Appendix C

SAMPLE HANDOUTS

You'll find several handouts on the following pages. These handouts may be photocopied and used to provide basic information about student aid and postsecondary education opportunities.

You also might wish to create your own reminders and information sheets for students.

Keep for your reference

Student Financial Aid Web Sites

Federal student financial aid information *(includes texts of some publications)* from the U.S. Department of Education	***http://www.ed.gov/studentaid***
Free Application for Federal Student Aid (FAFSA)—apply on the Web and/or look up **federal school codes**	***http://www.fafsa.ed.gov***
Hope and **Lifetime Learning tax credits**	***http://www.irs.ustreas.gov***
For **general information** about scholarships, financial aid, planning a career, selecting a school, paying for school, and chat nights	***http://www.collegeispossible.org*** ***http://www.mapping-your-future.org***
Search for a school by name, location, program, degree offerings, or a combination of criteria	***http://www.nces.ed.gov/ipeds/cool***
Federal tax returns and taxpayer help from the U.S. Internal Revenue Service	***http://www.irs.ustreas.gov***
Free scholarship search services	***http://www.finaid.org*** ***http://www.college-scholarships.com/100college.htm***
Information on the **SAT** and other tests	***http://www.collegeboard.org***
Information on **ACT**	***http://www.act.org***
Register with the **Selective Service**	***http://www.sss.gov***
Calculate loan repayments	***http://www.ed.gov/DirectLoan/calc.html***

BEST COPY AVAILABLE

The U.S. Department of Education does not endorse the nonfederal web sites in this listing, the sponsors of the sites, or any products presented on the sites or links.

Myths About Financial Aid

"I'm not going to bother filling out the *Free Application for Federal Student Aid* because..."

"...there isn't enough financial aid for students like me."

False. Many students and parents have the impression that the budget for the federal student aid programs has been severely reduced. In fact, funding for these programs has grown steadily. While it's true that the aid available cannot meet the full financial need of all students, it's still important to apply and find out how much aid you're eligible for at your school of choice.

"...only students with good grades get financial aid."

False. Many students think that financial aid is awarded on the basis of grades. While a high grade point average will help a student get into a good school and may help with academic scholarships, most of the federal student aid programs do not take a student's grades into consideration. Provided a student maintains satisfactory academic progress in his or her program of study, federal student aid will help a student with an average academic record complete his or her education.

"...you have to be a minority to get financial aid."

False. Funds from federal student aid programs are awarded on the basis of financial need, NOT on the basis of race or creed. The *Free Application for Federal Student Aid* (FAFSA)—the financial aid application for these programs—doesn't even collect this kind of information about an applicant.

"...millions of dollars in scholarships go unawarded each year, so I'll get some of that money. I won't need government help."

Only partly true. Most of the money referred to in such statistics is offered by companies to their employees' children or by organizations to their members (or their members' children). While it is well worth researching nonfederal scholarships and grants, the truth is that the majority of student aid available comes from the federal government. Therefore, filling out a FAFSA is an important first step for any student.

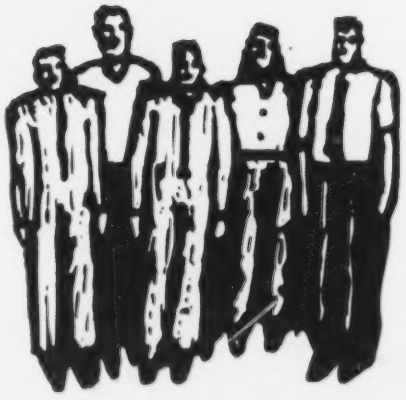
For more information about federal student aid, see **http://www.ed.gov/studentaid** or call the Federal Student Aid Information Center at **1-800-4-FED-AID** (1-800-433-3243).
TTY: **1-800-730-8913.**
Toll number for inquirers calling from foreign countries: **1-319-337-5665.**

Federal Student Aid Web Site:
http://www.ed.gov/studentaid

Federal Student Aid Information Center:
1-800-4-FED-AID

Keep for your reference

Why Go To College?



Answer: How about... a good job!

Can't I get a good job now?

Yes, maybe you could, but statistics are against you. Consider these average earnings:

High school dropout—$19,700 a year
High school graduate—$26,000 a year
College graduate—$40,100 a year
(Bachelor's Degree)

Sometimes it's hard to stay in school if you think you need to be working to earn money. But if you finish high school and go on to college, you'll have a wider variety of jobs to choose from, and you'll earn more—especially in the long run.

But I don't know what career to go into!

If you're having trouble deciding what to do, talk to your school counselor. Ask about taking an aptitude test or interest inventory. And remember, you don't have to know exactly what career you want before you start college; often a year or two of college helps a student explore different subject areas and decide on one.

Doesn't college cost a lot of money?

Think of college as an investment: you spend money now so you can earn more later. Take a look at **http://www.ed.gov/studentaid** for information about the student aid programs administered by the U.S. Department of Education. You can also call the Federal Student Aid Information Center at **1-800-4-FED-AID** (1-800-433-3243) and ask for a free copy of *Funding Your Education*—or simply download it from **http://www.ed.gov/prog_info/SFA/FYE**

It pays to stay in school!

Choosing A Career

Making the choices that are right for you

A first step in deciding what to do after high school is to talk with your school counselor or a teacher for advice. Ask your school counselor about taking an aptitude test or interest inventory to find your strengths, weaknesses, and interests to discover potential career choices that are right for you.

1. **Learn about yourself.**
   - **Values**—What is important to you?
   - **Interests**—What appeals to you?
   - **Aptitude**—What are you good at?

2. **Talk to people.**
   Once you've narrowed your career choices, talk to people who are working in that field or, if possible, find a part-time job in that field.

   It's helpful to ask questions such as, "What's good and bad about this job?" "How did you learn your trade?" There are many sources of career and job outlook information available—go to your school library, public library, or school counselor.

3. **Consider how much training you will need for the career you're interested in.**
   - **High school diploma**: cashier, receptionist, salesperson, security guard, telephone operator, waiter/waitress
   - **Special career training**: auto technician, firefighter, machinist, medical technician, police officer, computer operator, commercial artist
   - **College degree**: accountant, counselor, engineer, nurse, pilot, teacher, public relations specialist
   - **Graduate degree**: college professor, dentist, lawyer, veterinarian, research scientist, architect

For information about specific careers, see the *Occupational Outlook Handbook* at **http://stats.bls.gov/opbhome.htm** or in a library.

For information about financial aid for college or vocational school, see **http://www.ed.gov/studentaid**

Occupational Outlook Handbook:
http://stats.bls.gov/opbhome.htm

Financial Aid:
http://www.ed.gov/studentaid

Keep for your reference

Choose A School Carefully

Going to school is a lifetime investment

Getting training after high school may help you get a better-paying job doing work you like. But going to school is a big investment. You're investing your time. Chances are you'll also have to invest your own money or take out a student loan to go to school. So you need to be sure that you're choosing the right school.

1. **Talk to your counselor.** Your school counselor is the first stop for information about the options available to you. Counselors can help you focus on your needs and goals, and they have information about different types of schools. Your counselor also can help you collect or prepare application materials.

2. **Shop around.** Contact more than one school. If you're looking for vocational training, check the Yellow Pages under "Schools" for phone numbers. If your area has a community college, call the admissions office and find out what kinds of training the college offers.

3. **Visit the school.** Call the school and schedule a visit, preferably while classes are being taught. Get a feel for the school; make sure you're comfortable with the facilities, the equipment, the teachers, and the students.

4. **Don't be afraid to ask!** A good school will be happy to answer your questions about its programs. Ask the school about its students: How many graduate? How many get jobs because of the training they received? What kind of job placement services does the school offer students and graduates?

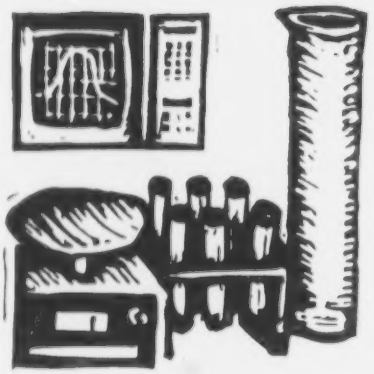
5. **Check the cost.** Make sure the school gives you a clear statement of its tuition and fees. Remember that any financial aid you get will be applied first to paying the school's tuition and fees. If there's any money left over, the school will give it to you to help you pay for things such as food and rent.

6. **Call these numbers.** Call your local Better Business Bureau, state higher education agency, or consumer-protection division of your state attorney general's office to find out if there have been any complaints about the school. Call the U.S. Department of Education's Federal Student Aid Information Center's toll-free number (**1-800-4-FED-AID**) if you have any questions about your financial aid at the school. You can also access our web site shown below.

Visit our web site at
http://www.ed.gov/studentaid

Keep for your reference

Need training for a job?



What you need to know

Before you sign up for a vocational school or correspondence course:

1. **Define your goals.** Do you want to learn a skill, prepare for a test, get a job, or get a license or certification?

2. **Comparison shop.** Look at the choices. Which offers the best combination of affordable fees and a solid education? Does on-the-job training, a community college program, a correspondence course, or a vocational school make the most sense?

3. **Do a background check.** Ask employers you might want to work for what they think about the school. Call recent graduates to ask about their experience at the school. Visit the school when class is in session. Stick around to talk to current students. Call the agency that licenses or accredits the school to see if it meets required standards. Call your local Better Business Bureau to find out if there have been any complaints about the school.

Important Points:

Take your time. *Don't sign a contract until you've read it...and understood it. Ask questions about repayment terms, refunds and cancellation policies, and finding a job after you finish the course. What happens if you have to quit before you finish? It's a good idea to ask someone you trust to read and evaluate the forms, too.*

If you're unhappy *with the school or program you chose—or if you think you were misled—complain. To whom? The agency that licenses or accredits the school, the Federal Trade Commission, or the Better Business Bureau.*

For further information about choosing a vocational school, access the Consumer Protection area of the Federal Trade Commission's web site at **http://www.ftc.gov**

Federal Trade Commission's web site :
http://www.ftc.gov

Keep for your reference

Don't get scammed on your way to college!

" This scholarship is guaranteed or your money back."

Wrong. No one can guarantee to get you a grant or scholarship. Remember, too, that school guarantees often have conditions or strings attached. Get school refund policies in writing.

" You can't get this information anywhere else."

Unlikely. Many free lists of scholarships are available. Check with your school counselor or librarian for free information about current scholarships before you pay someone for the same or similar information. For more information about paying for college, visit the U.S. Department of Education's web site for students at http://www.ed.gov/studentaid

" May I have your credit card or bank account number to hold this scholarship?"

No way. It may be a setup for an unauthorized withdrawal from your account. Don't give out your or your parents' credit card or bank account number on the phone without first getting all the information in writing.

" We'll do all the work."

Don't be fooled. There's no way around it. You must apply for scholarships or grants yourself.

" The scholarship will cost you some money."

That doesn't make sense. Free money shouldn't cost a thing. Don't pay anyone who claims to have access to a scholarship for you.

" You've been selected by a 'national foundation' to receive a scholarship" or "You're a finalist in a contest" (that you didn't enter).

Be careful. Before you send money to apply for a scholarship, check it out. Make sure the foundation or program is legitimate. Some places imitate legitimate foundations, federal agencies, and corporations. They might even have official-sounding names, using such words as "National," "Federal," "Division," and "Foundation" to fool students and parents into thinking they are legitimate enterprises.

To find out how to spot, stop, and report a scholarship scam, contact the Federal Trade Commission at FTC Consumer Response Center, 600 Pennsylvania Ave., NW, Washington, DC 20580.
Web site: **http://www.ftc.gov**
Telephone (National Fraud Information Center):
1–877–FTC–HELP (1-877-382-4357)
(TTY: **1–202–326–2502**)

Federal Trade Commission:
http://www.ftc.gov

National Fraud Information Center
1–877–FTC–HELP

Be an informed consumer

Know what to expect from a school that offers you federal student financial aid

Enrollment contracts

Read any school enrollment contract carefully before you sign it. The contract explains what the school will give you for your money.

If a representative of the school promises you things that are not in the contract, such as help finding a job, ask that the promise be written into the contract and that it be signed and dated. A promise usually is not enforceable in court unless it is in writing.

Tuition and fees

If you're enrolling in a **community college** or **four-year college**, you will probably get a tuition and fee bill before each term (semester or quarter) begins; a portion of your federal financial aid will be paid each term.

If you're enrolling at a **vocational school**, you usually will be charged tuition and fees for the entire educational program at the beginning. However, your federal financial aid will usually be divided into at least two payments. The first payment is made at the beginning of the program, and the second payment is made after you've finished half of the program.

Most schools use your financial aid to pay your tuition and fees. If there's any left over, the school must give it to you to help pay your living expenses.

Loans

Even if you qualify for a full Federal Pell Grant (gift aid), your cost of attendance might not be covered.

If other gift aid and work-study aren't available, check with your school about the types of loans you can get. Before you borrow, think about how you will afford to pay the money back. Either the school or the lender must give you a repayment schedule that explains how much your loan payments will be and when you have to start making the payments.

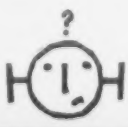
Remember that you must pay back a loan, even if you drop out of school or don't find a job after you graduate.

Refund policy

It's important to find out whether you can get a refund from the school if you drop out before you get your degree or certificate. Every school that uses federal financial aid must have a written refund policy, and it must give you a copy of that policy if you request it.

If financial aid is used to pay your costs at the school, at least part of your refund will probably go to the federal aid program it came from. If you took out a loan, some money might go to your lender, reducing the amount of the loan that you have to repay. Any remaining refund goes to you.

Be sure to let the school know exactly when you plan to withdraw—it may reduce your debt.



For further consumer information, contact the U.S. Department of Education's Federal Student Aid Information Center at 1-800-433-3243 (TTY: 1-800-730-8913)

Military Scholarships

These scholarships are awarded on the basis of merit rather than financial need.

Army Reserve Officer Training Corps

Army Reserve Officer Training Corps (ROTC) scholarships are offered at hundreds of colleges and universities across the nation. Application packets, information on eligibility, and the telephone number of an ROTC advisor in your area are available from: College Army ROTC, Gold QUEST Center, P.O. Box 3279, Warminster, PA 18974-9872.
Telephone: **1-800-USA-ROTC** (1-800-872-7682).
Web site: **http://www.armyrotc.com**

Air Force Reserve Officer Training Corps

The Air Force Reserve Officer Training Corps (AFROTC) college scholarship program targets students pursuing technical degrees, such as certain engineering and science programs, although students entering a wide variety of majors may be accepted. Information about AFROTC scholarships is available from: HQ AFROTC/RRO, 551 East Maxwell Blvd., Maxwell AFB, AL 36112-6106.
Telephone: **1-800-522-0033, ext. 2091.**
Web site: **http://www.afoats.af.mil**

Naval Reserve Officers Training Corps

The Naval Reserve Officers Training Corps (NROTC) four-year scholarship is available to students with no more than one year of college credit and is awarded annually. For information about the NROTC scholarship program, contact any college that offers NROTC, or write to: Chief of Naval Education and Training (CNET), 250 Dallas Street, OTE6/081, Pensacola, FL 32508-5220.
Telephone: **1-800-NAV-ROTC** (1-800-628-7682)
Web site: **http://www.cnet.navy.mil/nrotc/nrotc.htm**
E-mail: **nrotc.scholarship@smtp.cnet.navy.mil**

Note: Military scholarships require recipients to enlist in one of the U.S. Armed Forces while attending college. After graduating, recipients will have a service obligation in either the reserves or active duty.

Glossary

Academic Year—A measure of academic work to be accomplished by a student. A school defines its own academic year, but federal regulations set minimum standards schools must adhere to if they wish to award federal financial aid funds. For instance, the academic year must be at least 30 weeks of instructional time in which a full-time student is expected to complete at least 24 semester or trimester hours, 36 quarter hours, or 900 clock hours.

Award Year—The time beginning on July 1 of one year and extending to June 30 of the next year. Funding for Federal Pell Grants and campus-based programs is provided on the basis of the award year—for example, a student is paid out of funds designated for a particular award year, such as the 2001-02 award year.

Base Year—For analyzing student financial need, the base year is the calendar year preceding the award year. For instance, 2000 is the base year used for the 2001-02 award year. The *Free Application for Federal Student Aid* (FAFSA) uses family income from the base year because it is more accurate and easier to verify than projected-year income.

Campus-Based Programs—The term that applies to three federal financial aid programs administered on campus by eligible institutions of postsecondary education. These programs are

- Federal Supplemental Educational Opportunity Grant (FSEOG) Program,
- Federal Perkins Loan Program, and
- Federal Work-Study (FWS) Program.

Central Processing System (CPS)—ED's processing facility for the *Free Application for Federal Student Aid* (FAFSA). The CPS

- receives student information from application processors,
- calculates a student's official Expected Family Contribution (EFC),
- performs several eligibility database matches,
- prints *Student Aid Reports* (SARs) or *SAR Information Acknowledgements*, and
- produces *Institutional Student Information Records* (ISIRs).

Citizen/Eligible Noncitizen—A student must be one of the following to receive federal student aid:

- U.S. citizen,
- U.S. national (includes natives of American Samoa or Swain's Island), or
- U.S. permanent resident who has an I-151, I-551, or I-551C (Alien Registration Receipt Card).

If a student is not in one of these categories, he or she must have an Arrival-Departure Record (I-94) from the U.S. Immigration and Naturalization Service (INS) showing one of the following designations:

- "Refugee,"
- "Asylum Granted,"
- "Indefinite Parole" and/or "Humanitarian Parole,"
- "Cuban-Haitian Entrant (Status Pending)," or
- "Conditional Entrant" (valid only if issued before April 1, 1980).

If a student has only a "Notice of Approval to Apply for Permanent Residence" (I-171 or I-464), he or she is not eligible for federal student aid.

If a student is in the U.S. on an F-1 or F-2 student visa, or on a J-1 or J-2 exchange-visitor visa only, he or she can't get federal student aid. Also, persons with G series visas (pertaining to international organizations) are not eligible for federal student aid.

Citizens of the Federated States of Micronesia, the Republic of the Marshall Islands, and the Republic of Palau are eligible only for Federal Pell Grants, Federal Supplemental Educational Opportunity Grants, Federal Work-Study, and Byrd Scholarships. These applicants should check with their schools' financial aid administrators for more information.

Consolidation Loan—A loan that combines multiple federal student loans into a single loan with one monthly payment. Consolidation loans are available through the Federal Family Education Loan (FFEL) Program and the Direct Loan Program. Both allow the borrower to combine different types and amounts of federal student loans to simplify repayment.

Note: A consolidation loan pays off the existing loans; the borrower then repays the consolidation loan.

Cost of Attendance (COA)—A student's cost of attendance at a postsecondary institution includes

- tuition and fees,
- room and board expenses while attending school,
- allowances for books and supplies (including a reasonable allowance for renting or purchasing a personal computer),
- transportation,
- loan fees for federal student loans (if applicable),
- dependent-care costs,
- costs related to a disability, and
- other miscellaneous expenses.

In addition, reasonable costs for a study-abroad program and costs associated with a student's employment as part of a cooperative education program may be included. The cost of attendance is estimated by the school, within guidelines established by federal law. The cost of attendance is compared to a student's Expected Family Contribution (EFC) to determine the student's need for aid (COA - EFC = student's financial need).

Default—Failure to repay a loan according to the terms of the promissory note. There can be serious legal consequences for student-loan defaulters.

Default Rate—A percentage calculated each year for a postsecondary school on the basis of the number of former students who have defaulted on the Federal Family Education Loan (FFEL) Program and/or Direct Loan Program loans received while attending that school.

Eligible Program—A course of study that requires a certain minimum number of hours of instruction and period of time and that leads to a degree or certificate at a school participating in one or more of the federal student financial aid programs described in this handbook. Generally, to get student aid, a student must be enrolled in an eligible program.

Estimated Financial Assistance—Student financial aid that must be taken into account to determine eligibility for federal student loans. Estimated financial assistance is called "resources" in determining eligibility (and preventing overawards) in the campus-based programs.

Expected Family Contribution (EFC)—Calculated using a formula established by Congress; the amount that a student's family is expected to contribute toward the student's cost of attendance. The EFC is used to determine whether a student is eligible for federal student financial aid. It is printed

on the front of a *Student Aid Report* (SAR), *SAR Information Acknowledgement*, and *Institutional Student Information Record* (ISIR). An EFC Estimator is included in *FAFSA on the Web*, *Renewal FAFSA on the Web*, and *FAFSA Express*.

Federal Family Education Loan (FFEL) Program—The Federal Stafford Loan (subsidized and unsubsidized), Federal PLUS Loan (for parents), and Federal Consolidation loan programs. Funds for these programs are provided by private lenders; the loans are guaranteed by the federal government.

Financial Need—The difference between a student's cost of attendance (COA) at a school and the Expected Family Contribution (EFC). (COA - EFC = student's financial need)

Free Application for Federal Student Aid (FAFSA)—An application completed and filed by a student who wishes to receive federal student financial aid. The application collects household and financial information used by the federal government to calculate the Expected Family Contribution (EFC) to postsecondary education costs. See also Renewal FAFSA.

Institutional Student Information Record (ISIR)—An electronic federal "output" record for schools that contains a student's Expected Family Contribution (EFC) as calculated by ED's Central Processing System (CPS) and all the financial and other data submitted by the student on the *Free Application for Federal Student Aid* (FAFSA). See also *Student Aid Report* (SAR).

Need—The difference between a school's cost of attendance (COA) and a student's Expected Family Contribution (EFC). (COA - EFC = student's financial need)

Need Analysis—The process of analyzing household and financial information on a student's financial aid application and calculating an Expected Family Contribution (EFC) to determine the student's need for financial aid for postsecondary education costs.

Overaward—Generally, any amount of federal financial aid that exceeds a student's financial need.

Overpayment—Any payment of a Federal Pell Grant, FSEOG, Federal Perkins Loan, or LEAP grant (formerly SSIG) that exceeds the amount for which a student was eligible. An overpayment may be the result of an overaward, an error in the cost of attendance (COA) or Expected Family Contribution (EFC), or a student not meeting other eligibility criteria, such as citizenship or enrollment in an eligible program.

Promissory Note—A binding legal document that a borrower signs to get a loan. By signing this note, a borrower promises to repay the loan, with interest, in specified installments. The promissory note also includes any information about

- grace periods,
- deferment or cancellation provisions, and
- a borrower's rights and responsibilities with respect to that loan.

Renewal FAFSA—A partially pre-formatted version of the FAFSA that students may use if they applied for federal financial aid the previous award year. If a student is among those allowed to complete a Renewal FAFSA, it will be sent directly to him or her by the FAFSA processor or the school. See also *Free Application for Federal Student Aid* (FAFSA).

Resources—Student financial aid that must be taken into account to prevent overawarding aid in the campus-based programs. Resources are called "estimated financial assistance" in determining a student's eligibility for federal student loans.

SAR Information Acknowledgement—A federal "output" document, similar to the SAR, that ED's central processor sends to a student who files the FAFSA through *FAFSA on the Web*, files through EDExpress at a postsecondary school, or makes changes through *Corrections on the Web*. See also *Student Aid Report* (SAR).

School—A postsecondary educational institution, such as a college, university, or career school. In this handbook, the term "school" refers to such an institution, not to a high school.

Simplified Needs Test—The Simplified Needs Test excludes assets from the Expected Family Contribution (EFC) calculation for low- to moderate-income families who file simplified tax returns (1040A, 1040EZ). For eligible students, the Central Processing System (CPS) automatically excludes the assets when calculating the EFC.

Student Aid Report (SAR) —A federal "output" document sent to a student by ED's central processor. A student receives a SAR if he or she files a paper *Free Application for Federal Student Aid* (FAFSA) or files electronically using *FAFSA Express*. The SAR contains financial and other information reported by the student on the FAFSA. That information is entered into the processing system, and the SAR is produced. The student's Expected Family Contribution (EFC) is printed on the front of the SAR. (See also *Institutional Student Information Record* and *SAR Information Acknowledgement*.)

Student financial assistance programs—Programs administered by the U.S. Department of Education:

- Federal Pell Grants,
- Federal Supplemental Educational Opportunity Grants (FSEOG),
- Federal Work-Study (FWS),
- Federal Perkins Loans,
- Federal Direct Stafford/Ford Loans (both subsidized and unsubsidized),
- Federal Direct PLUS Loans (for parents),
- Federal Direct Consolidation Loans,
- Federal Stafford Loans (both subsidized and unsubsidized),
- Federal PLUS Loans (for parents),
- Federal Family Education Loan (FFEL) Consolidation Loans,
- Leveraging Educational Assistance Partnership (LEAP) Program grants, formerly State Student Incentive Grants (SSIG), and
- Robert C. Byrd Honors Scholarship Program (Byrd Program).

Subsidized loan—Awarded to a student on the basis of financial need. The federal government pays the borrower's accrued interest during some significant periods, such as when the student is in school, thereby "subsidizing" the loan.

Unsubsidized loan—Is not need based; the borrower is responsible for accrued interest throughout the life of the loan.

Verification—A procedure through which a school checks the information a student reported on the *Free Application for Federal Student Aid* (FAFSA), usually by requesting a copy of signed tax returns filed by the student and, if applicable, the student's parent(s) and spouse. Schools must verify information about students selected for verification by ED's central processor, following procedures established by federal regulations. The processor prints an asterisk next to the Expected Family Contribution (EFC) on SARs and *SAR Information Acknowledgements* and flags ISIRs to identify students selected for verification. Many schools also select certain other students for verification in addition to those selected by the central processor.

William D. Ford Federal Direct Loan Program (Direct Loan Program)—Federal Direct Stafford/Ford Loans (Direct Subsidized Loans), Federal Direct Unsubsidized Stafford/Ford Loans (Direct Unsubsidized Loans), Federal Direct PLUS Loans (for parents), and Federal Direct Consolidation Loans. Funds for these programs are lent to student and parent borrowers by the federal government through schools that participate in the program.

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ABBREVIATIONS

AFROTC	Air Force Reserve Officer Training Corps
AGI	Adjusted Gross Income
BPOS	Bulk Publication Ordering System
CPS	Central Processing System
DRN	Data Release Number
ED	U.S. Department of Education
EFA	estimated financial assistance
EFC	Expected Family Contribution
EOC	Educational Opportunity Center
FAFSA	*Free Application for Federal Student Aid*
FFEL	Federal Family Education Loan
FSAIC	Federal Student Aid Information Center
FSEOG	Federal Supplemental Educational Opportunity Grants
FTC	Federal Trade Commission
FWS	Federal Work-Study
GAO	U.S. General Accounting Office
GEAR UP	Gaining Early Awareness and Readiness for Undergraduate Programs
GED	General Education Development
HHS	U.S. Department of Health and Human Services
IADT	Initial Active Duty for Training
INS	U.S. Immigration and Naturalization Service
ISIR	*Institutional Student Information Record*
LEAP	Leveraging Educational Assistance Partnership
NROTC	Naval Reserve Officers Training Corps
NSLDS	National Student Loan Data System
PIN	Personal Identification Number
PSAT/NMSQT	Preliminary SAT/National Merit Scholarship Qualifying Test
ROTC	Army Reserve Officer Training Corps
SAP	satisfactory academic progress
SAR	*Student Aid Report*
SSA	Social Security Administration
SSIG	State Student Incentive Grant (obsolete; now LEAP)
SSN	Social Security Number
TTY	teletype
VA	U.S. Department of Veterans Affairs
WIA	Workforce Investment Act

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